REGULATORY IMPACT STATEMENT

POLICE REGULATION (FEES AND CHARGES) REGULATIONS 2013

**October 2013**

This Regulatory Impact Statement has been prepared in accordance with the requirements of the *Subordinate Legislation Act 1994*. Its purpose is to inform interested parties regarding a proposal to make new regulations. Comments are invited and should be addressed to the Regulations Officer, Police Resources and Governance, Police and Emergency Management, Department of Justice, GPO Box 4356, Melbourne, Victoria 3001 or by email to **PR&GEnquiries@justice.vic.gov.au** by 5pm on
**6 November 2013**.

**Prepared by the Victorian Department of Justice**

EXECUTIVE SUMMARY

INTRODUCTION

This Regulatory Impact Statement (RIS) proposes changes to the *Police Regulation (Fees and Charges) Regulations 2004* (the current regulations) which establish fees payable by users of certain Victoria Police services. The proposed regulations are intended to replace the current regulations which are due to sunset on 3 February 2014. The RIS outlines the proposed changes and alternatives considered.

Victoria Police provides three types of services where the direct users of the services are required to pay as the services are not provided for the equal benefit of the general community. These services are outlined in current regulations 4, 5 and 6 respectively. User charges are levied by the Chief Commissioner of Police only where persons use Victoria Police resources for private or commercial purposes including services provided for:

* event management
* information involving searches of files, provision of witness statements or interviews or affidavits and
* other police information services including vetting police records.

Personnel services for event management and for provision of information include sworn police members and Victorian public servants (VPS); and other resources deployed for event management include dogs, horses, road transport vehicles, air and water craft.

Other police information services includes a search of police records and the issue of National Police Certificates (NPCs), and NPCs with fingerprints, required for licensing and employment reasons, as well as stolen/lost/damaged property and collision/accident reports for insurance purposes.

COST RECOVERY STATUS

The existing charges were established on the basis of the cost of delivering the services nearly
10 years ago, and increases since 2006 have only been in line with the annual fee unit indexation determined by the Treasurer.

Since 2006, there has been a growing disparity between the cost of providing the services and the actual cost recovered by Victoria Police, as the cost of providing police services has been increasing at more than the annual fee unit indexation rate. Salary increases above the rate of indexation have been negotiated through the Victoria Police Enterprise Bargaining Agreements in 2007 and 2011 for sworn police members, and 2009 and 2012 for the Victorian Public Service (VPS), more commonly known as public servants. In addition, some other operating costs incurred by Victoria Police in delivering its services have increased.

The total revenue to be generated under the current regulations is estimated at $10.511 million in 2013-14, however, the actual cost of delivering the services is anticipated to be $12.658 million. The community will, therefore, be subsidising these services by an estimated $2.147 million.

REVIEW

This RIS process included a review of all the costs incurred by Victoria Police in providing the services

and consideration of two options:

i) leaving the fees at their existing levels, which allows annual adjustment for indexation in line with government policy

ii) revising the fees to achieve full cost recovery, and including similar police services that do not currently attract a fee.

Option 1

Option 1 proposes to remake the regulations for Victoria Police fees and charges by retaining all the current provisions for police services, at the existing fee units which provide for the annual adjustment for indexation. Adoption of this alternative would ensure that Victoria Police can continue to charge fees for certain police services and the users would continue to contribute towards meeting the costs.

While it is acknowledged that the current regulations enable Victoria Police to recoup some of the cost increases through annual indexation of fees, as determined by the Treasurer, this option would not address the cost being met by the taxpayer. This option would not address the growing disparity between the cost of providing the services and the level of the cost recovery being met through the user charges.

In comparison with other jurisdictions, the Victorian taxpayer is subsidising those who use police services for their own private reasons. In the case of a full-fee NPC, Victoria’s fee is between $7 to $17 less than most other jurisdictions. Similarly the current fee for a combined NPC with fingerprints in Victoria is in the mid range compared with other Australian jurisdictions and well below the fees charged in New South Wales, Queensland and South Australia.

While overall the proposed fees for police personnel services are increasing, the fees for Other Ranks and Sub-officers are still below the fees levied in other jurisdictions. Further the current regulations do not recognise that the costs for some Victoria Police services have decreased.

Option 2

Option 2 proposes amending the fees and charges for these Victoria Police services that attract a user charge, to full cost recovery. This would result in increases in some fees, decreases in others and some fees will remain unchanged, as outlined in Attachment 1. In addition, this RIS proposes the extension of fees for similar services provided by Victoria Police that do not currently attract a fee.

The fee increases arising from the proposed fees and charges for Victoria Police services primarily relate to personnel services provided for event management and information services; as well as other police information services, in particular for NPCs and ink fingerprints.

The users of these services are primarily those participating in sporting and entertainment events funded through admission or participation charges, or sponsorship and/or the event is commercial in nature; and persons requiring an NPC for employment, licensing, firearms purposes, and ink fingerprints for visa or immigration purposes. A combined NPC with fingerprints resulting from a check of police records is a licensing requirement for persons working in the security industry.

Some 93 per cent of police resources deployed to user pays events involve personnel, so this will have an impact of the budgets of sporting and entertainment events including football, cricket, racing, marathons, cycling events and festivals. An event organiser may be entitled to a Government subsidy where they can demonstrate that the imposition of police charges would threaten the viability of the event, or its staging in Victoria. The Chief Commissioner, or his delegate, is responsible for determining whether police charges levied for event management are to be covered by a subsidy, therefore waived.

In the case of other police information services, the proposed fees for lost/stolen/damaged property and collision and accidents reports will remain unchanged, while the proposed fees for NPCs will increase to match the cost of delivering the services. In comparison with other jurisdictions, the proposed full-fee NPC will remain at the lower cost level, at $21.50 less than the highest fee. The proposed fee for an NPC with fingerprints is in the mid range between $8 and $18 less than higher fees.

The fee for an NPC for volunteers remains above the fee levied in the other jurisdictions. The proposed fee for an NPC for volunteers is 52 per cent of the full-fee NPC, and consistent with the current fee which is 46 per cent of the full-fee. The proposed fee for ink fingerprints for visa and immigration purposes is at the higher level of the fees levied by the jurisdictions and just above the fee levied by New South Wales.

Recovering the full cost of Victoria Police services is consistent with the general principle of the government Cost Recovery Guidelines in Victoria. Importantly the principles used to calculate the cost of providing police services remain the same as under the current regulations. There is minimal change to the services outlined in the current regulations.

PROPOSED APPROACH

Consideration has been given to the public and private benefits attained from the use of police resources for private or commercial purposes. While some members of the community utilise police event management and information resources for their own private benefit, persons volunteering with charitable or community organisations requiring an NPC would continue to receive the service at a reduced rate.

Option 2, setting fees at full cost recovery, is recommended as the most appropriate option to address demand management for police resources and the growing disparity between increasing costs and the current level of cost recovery. The proposed regulations are considered the best means of ensuring that the fee paid by persons using police services for their own private or commercial purposes reflects the actual cost of the services. This is important to avoid any unnecessary diversion of police resources from their primary purpose in serving the general community.

The proposed fees are now included in Schedules 1, 2 and 3 of the draft Statutory Rule having been moved from the body of the proposed regulations, and now include GST. See Appendix 1.

It is anticipated that the proposed regulations will take effect from 1 January 2014. The community consultation process through the RIS process will enable stakeholders to prepare for an increase in fees for police services.

Table of Contents

[1 Background 7](#_Toc368568823)

[2 Objectives 7](#_Toc368568824)

[3 Nature and extent of the problem 7](#_Toc368568825)

[4 Appropriateness of Police Fees and Charges 7](#_Toc368568826)

[4.1 Cost Recovery Guidelines for Government 7](#_Toc368568827)

[4.2 Principles underpinning recoupment of costs 8](#_Toc368568828)

[4.3 Police Services where fees and charges are levied 8](#_Toc368568829)

[5 Historical cost recovery for Victoria Police services 9](#_Toc368568830)

[5.1 Cost recovery for Event Management - Personnel and other police resources 9](#_Toc368568831)

[5.2 Cost recovery for police information services 11](#_Toc368568832)

[6 Establishing Charges for Victoria Police Services 13](#_Toc368568834)

[6.1 Personnel and other Resources 13](#_Toc368568835)

[6.2 Information services – Personnel for the searching of files and providing interviews/affidavits 13](#_Toc368568836)

[6.3 Other police information services – Records vetting services 14](#_Toc368568837)

[6.4 Victoria Police services that currently do not attract a fee 14](#_Toc368568838)

[6.4.1 Ink Fingerprints 15](#_Toc368568839)

[6.4.2 Victorian Public Servant (VPS) Grade 7 15](#_Toc368568840)

[6.4.3 Police bicycles 15](#_Toc368568841)

[6.4.4 Police all terrain vehicles (ATVs or quad bikes) 16](#_Toc368568842)

[6.4.5 Water Police 16](#_Toc368568843)

[7 Growth in under recovery of costs associated with the provision of police services 16](#_Toc368568845)

[7.1 Salary increases above the annual indexation rate 16](#_Toc368568846)

[7.2 Effect of new legislation - Increases in service costs 17](#_Toc368568847)

[8 Fees and charges for police services in Australian jurisdictions 17](#_Toc368568848)

[9 Identification and assessment of options for the new regulations 18](#_Toc368568849)

[9.1 Option 1: Retain fees at existing levels 19](#_Toc368568850)

[9.1.1 Description 19](#_Toc368568851)

[9.1.2 Expected benefits 19](#_Toc368568852)

[9.1.3 Expected costs 19](#_Toc368568853)

[9.2 Option 2: Set fees at full cost recovery 20](#_Toc368568854)

[9.2.1 Description 20](#_Toc368568855)

[9.2.2 Expected benefits 24](#_Toc368568856)

[9.2.3 Expected costs 25](#_Toc368568857)

[10 Event Management Police Services – Consideration of a subsidy through a waiver of police charges 25](#_Toc368568858)

[11 Conclusion and recommendation 26](#_Toc368568860)

[12 Consultation 27](#_Toc368568861)

[13 Statement of compliance with National Competition Policy 28](#_Toc368568862)

[Appendix 1: Proposed Police Regulation (Fees and Charges) Regulations 2013 29](#_Toc368568863)

Background

Certain police services have traditionally attracted a payment from users of the services. Fees have been levied for Victoria Police information since the 1960’s, while fees for Victoria Police services at sporting and entertainment events within a venue date back to the late 1800’s. Fees were introduced to promote the efficient and equitable use of Victoria Police resources.

The proposed regulations are intended to replace the existing regulations, the Police Regulation (Fees and Charges) Regulations 2004, which are due to sunset on 3 February 2014.

This RIS provides advice to the community on the issues considered under this proposal to renew the fees and charges for police services, the proposed changes to the existing Regulations, the impact of the proposed changes including alternatives considered, and an assessment under the National Competition Policy. A draft statutory rule is attached to the RIS.

Objectives

The proposed regulations prescribe fees and charges to be imposed for the provision of certain services by Victoria Police to ensure that the cost of providing the services, is met by the users of the services.

The fees and charges:

* ensure the promotion of the economically efficient use of Victoria Police resources; and
* recognise the services provided by police under the proposed regulations are predominantly of a private or commercial nature.

Nature and extent of the problem

The application of charges for certain police services recognises the community’s right to have first call on the resources of the Victoria Police, compared with organisations or individuals who may seek to divert these public services for private and/or commercial purposes. Excessive demand on these services, without accountability, could restrict Victoria Police’s ability to service the needs of the general community.

The fees and charges for the provision of Victoria Police services, as outlined in the Police Regulation (Fees and Charges) Regulations 2004, were established based on the cost of delivering the services at that time. The current user charges for Victoria Police services were set nearly 10 years ago and the only increases since 2006 have been in line with the annual fee unit indexation approved by the Treasurer[[1]](#footnote-1). As a result, the cost to Victoria Police of providing these services is, in some cases, well above what is currently recovered.

Appropriateness of Police Fees and Charges

4.1 Cost Recovery Guidelines for Government

The Department of Treasury and Finance Cost Recovery Guidelines 2013 (referred to as the Cost Recovery

Guidelines), provide a rigorous framework for use by government entities when considering, developing and reviewing user charges and regulatory fees. The Cost Recovery Guidelines ensure that cost recovery arrangements in Victoria are transparent, efficient, effective and consistent with legislative requirements and government policy.

General government policy is for fees and charges to be set on a full cost recovery basis for the efficient and equitable use of government resources, maximising the benefit of government services to the wider community.

The proposed fees for Victoria Police services reflect recuperation of costs in line with the Cost Recovery Guidelines. That is, user charges for police services are calculated to recover no more than the resourcing costs incurred by Victoria Police in supplying the service. This ensures that the level of demand for the service is related to the full resource costs of providing the service.

4.2 Principles underpinning recoupment of costs

Victoria Police is funded for the benefit of the whole community. The cost of Victoria Police resources deployed toward these socially desirable outcomes is more than $2.28 billion annually[[2]](#footnote-2).

The Victoria Police mission is:

to provide a safe, secure and orderly society by serving the community and the law

In order to:

* preserve the peace
* protect life and property
* prevent offences
* detect and apprehend offenders, and
* help those in need of assistance

Only a small proportion of Victoria Police services, however, are subject to user charges. Demonstrations, public rallies, VIP visits and events of national interest fall outside the Cost Recovery Guidelines.

Appropriate cost recovery works to improve the way resources are allocated. The application of charges for certain police services gives an important message to those who use these services for their own private purposes, about the actual costs of the services provided.

4.3 Police Services where fees and charges are levied

Victoria Police provides three types of services where the direct users of the service are required to pay for the service delivery, as the services are not provided for the equal benefit of the community as a whole, that is event management services; information involving a resource to search files, provide a witness statement or interview or affidavits; and other police information services including vetting police records.

***Services for which Victoria Police has an obligation, that is, a unique responsibility***

User charges are levied by the Chief Commissioner of Police on the direct users of the services only where persons use Victoria Police services for private and/or commercial purposes, that is:

* in the case of events, where persons pay admission or participation charges and/or the event is commercially promoted or sponsored, or if the event is otherwise commercial in nature (regulation 4 of the current regulations).
* For Personnel and Other Resources (under regulation 4 of the current regulations [[3]](#footnote-3)) (Fees are charged on an hourly basis):
	+ Personnel Services include police and public servants deployed for event management as provided for under the current regulations. There is no charge for police services deployed to manage general pedestrian and vehicular traffic build up as a result of an event.
	+ Other Resources include provision of road transport such as Victoria Police cars, motorcycles and buses; Water Police vessels, Air Wing helicopters; as well as horses and dogs.
* By requiring payment for goods/services provided by government, cost recovery charges can give important signals to users about the costs of the resources involved in their provision. Generally, users of government services base their decisions about the amount of goods/services they wish to purchase on these signals. However, users of police event management services, such as event organisers, are required to consult with Victoria Police, in the first instance, to enable Victoria Police to make an assessment of operational requirements which will determine the level of resources required for an event. The event organiser, then can make a decision about whether they wish to proceed with, modify or cancel their event based on the costs of Victoria Police’s requirements.
* for Information (under Regulation 5 of the current regulations[[4]](#footnote-4)) – File searches / witness statements / interviews / affidavits. (Fees are charged on an hourly basis)
* for Other Police Information services involving vetting police records (under regulation 6 of the current regulations[[5]](#footnote-5)) These services include provision of National NPCs, collision or accident reports and crime or fire reports for lost stolen or damaged property and for processing subrogation notices. (Fees are charged on a fee for service basis)

***Services provided in a competitive environment***

Victoria Police also provides services which could be provided in competition with private companies or individuals, and user charges may be set at market rates. Examples of these types of services include the guarding or escorting of property or the conduct of training courses. These services are clearly not core business for which Victoria Police is accountable as the service provision is optional.

As there is no obligation for Victoria Police to provide these services and therefore, no need to provide a statutory basis for the services, they are not included in the proposed Police Regulation (Fees and Charges) Regulations and are not examined in this document.

Victoria Police does not provide event management services in competition with private companies. Where trained police are not required, event organisers will utilise the services of private service providers, which is a more cost effective option, thereby minimising any unnecessary demand on Victoria Police finite community resources.

Historical cost recovery for Victoria Police services

5.1 Cost recovery for Event Management - Personnel and other police resources

In 2012-13, the user pays component of deploying Victoria Police resources for some 412 public events, was approximately $4.102 million, with almost 58,000 Victoria Police resource hours deployed, as shown in
Table 1.

**Table 1: Allocation of Victoria Police Resources Deployed for Event Management in 2012-13**

|  |  |  |
| --- | --- | --- |
| **Resource Type** | **Hours** | **Percentage****%** |
| Personnel | 53,680 | 92.8% |
| Motorcycle | 1,490 | 2.6% |
| Car | 1,919 | 3.3% |
| Bus | 454 | 0.8% |
| Dog | 26 | 0.0% |
| Horse | 257 | 0.4% |
| **Total** | **57,826**  | **100%** |

Highly trained police who possess expertise in a number of areas including road safety, emergency response, civil disobedience and maintenance of good order, supported by Victorian Public Service (VPS) employees, attend these events. Table 2 indicates deployment of police members by category and rank during
2012-13.

**Table 2: Allocation of Victoria Police Personnel Deployed for Event Management**

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Rank** | **Hours** | **Percentage****%** |
| Officer | Inspector and higher ranks | 619 | 1.2% |
| Sub-Officer | Sergeant and Senior Sergeant | 11,891 | 22.2% |
| Other Rank | Constable and Senior Constable | 41,027 | 76.4% |
| VPS employees |  | 143 | 0.3% |
| **Total** |  | **53,680** | **100%** |

Victoria Police personnel are deployed to a number of events such as cycling, cricket, football/soccer/rugby, basketball, golf, tennis, running/marathons/fun runs/triathlons, horse racing, motor racing, festivals, agricultural/pastoral/rural shows, concerts, and film and television production. Police personnel deployed to such events also at times use other police resources such as police dogs, police horses, and police vehicles to assist them in their duty. Figure 1 illustrates Victoria Police resource usage by hours against the types of events requiring police services in 2012‑13.

**Figure 1: Resource Usage Against the types of Events Requiring Victoria Police Services**

As outlined earlier, Victoria Police charges for event management was $4.102 million while the cost to Victoria Police to deliver these event management services was $5.014 million, resulting in Victoria Police under recovering $0.912 million in 2012-13.

There is a growing disparity between the cost of providing services and the actual cost recovered by Victoria Police for certain services, particularly regarding personnel. This disparity is attributable to the actual cost of providing police services increasing at a greater rate than the fees being charged, which have only been increasing at the annual fee unit indexation rate set by the Treasurer. Table 3 shows the cost recovery for the event management at user pays events since 2009-10.

**Table 3: Cost Recovery for Event Management User Pays Events since 2007-08**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Cost to Serve****$ m** | **Cost Recovery****$ m** | **Amount** **Under Recovered****$ m** | **Percentage** **Under Recovered****%** |
| 2009-10 | 3.758 | 3.229 | -0.529 | -14.1% |
| 2010-11 | 5.188 | 4.325 | -0.863 | -16.6% |
| 2011-12 | 4.675 | 3.871 | -0.804 | -17.2% |
| 2012-13 | 5.014 | 4.102  | -0.912 | -18.2% |
| **Total** | **18.635** | **15.527** | **-3.108** | **-16.7%** |

5.2 Cost recovery for police information services

In 2012-13, the annual cost of providing information police services for personal purposes where user charges are applied exceeded $8.4 million. Fees are levied to recover the cost of maintaining searching and supplying information on relevant records, swearing affidavits and appearing as a witness in legal proceedings at an estimated cost of less than $20,000. Fees for other police information services includes a NPC which includes a search of national police records, including fingerprint checks; crime and fire reports for lost, stolen or damaged property; and collision and accident reports. For example, Victoria Police performs searches of national police records to provide over 140,000 NPCs as part of these user pays services.

Victoria Police has embarked on a continuous improvement agenda in an effort to reduce the cost of services. Since 2004 and in particular over the past 5 years Victoria Police has embarked on several initiatives which have resulted in cost reductions:

. Re-engineering processes that have improved the work-flow

. Introduction of a telephone system to streamline enquiries and fingerprint bookings

· Developing and implementing purpose built access databases to process NPC applications

. Introduction of an on-line form to assist in the completing of an NPC application resulting in

 fewer rejections by the Public Enquiry Service

· The implementation of CrimTrac's NSS system has eliminated paper based processing of

 referrals and final vetting. Labour intensive practices now eliminated.

· Introduction of a new National Police Certificate with security features used by all jurisdictions

· Multi-skilling of staff to work across all areas of the Public Enquiry Service

· Supporting large organisations to become direct clients of CrimTrac thus reducing the demand

 on the Public Enquiry Service.

The level of under recovery of information services provided by Victoria Police has also continued to grow since the last fee increase above indexation in 2006-07. Table 4 shows the cost recovery for other police services since 2009-10.

**Table 4: Cost Recovery for Other Police Information Services Since 2009-10**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Cost to Serve****$ m** | **Cost Recovery****$ m** | **Amount** **Under Recovered****$ m**  | **Percentage** **Under Recovered****%** |
| 2009-10 | 7.330 | 6.159 | -1.170 | -16.0% |
| 2010-11 | 7.486 | 6.220 | -1.266 | -16.9% |
| 2011-12 | 8.714 | 7.561 | -1.153 | -13.2% |
| 2012-131 | 8.466 | 7.113 | -1.353 | -16.0% |
| **Total** | **31.995** | **27.052** | **-4.943** | **-15.4%** |

 1 A further breakdown of the 2012-13 cost and cost recovery is included in Table 5:

The following Table 5 provides a further breakdown of the level of cost recovery in 2012-13 for each category under other police information services.

**Table 5: Breakdown of the Cost Recovery for Other Police Information Services in 2012-13**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Cost to Serve****$ m** | **Cost Recovery****$ m** | **Amount** **Under Recovered****$ m**  | **Percentage** **Under Recovered****%** |
| **Collision or Accident** |  |  |  |  |
| Accident report | 0.337 | 0.337 | 0.000 | 0.0 |
| Each additional page | 0.006 | 0.006 | 0.000 | 0.0 |
| ***Sub-total*** | **0.343** | **0.343** | **0.000** | **0.0** |
| **Criminal History** |  |  |  |  |
| Name Checks – Full Fee | 4.093 | 3.558 | -0.535 | -13.1% |
| Name Checks – Volunteer | 0.722 | 0.593 | -0.129 | -13.9% |
| Name Checks with fingerprints | 2.917 | 2.478 | -0.439 | -15.0% |
| ***Sub-total*** | **7.732** | **6.629** | **-1.103** | **-14.3%** |
| **Ink fingerprints** |  |  |  |  |
| One set | 0.166 | 0.000 | -0.166 | -100% |
| Two set | 0.064 | 0.000 | -0.064 | -100% |
| Three set | 0.020 | 0.000 | -0.020 | -100% |
| ***Sub-total*** | **0.250** | **0.000** | **-0.250** | **-100%** |
| **Lost, stolen or damaged property** |  |  |  |  |
| Crime and Fire Reports | 0.140 | 0.140 | 0.00 | 0.0 |
| Subrogation notice | 0.001 | 0.001 | 0.00 | 0.0 |
| ***Sub-total*** | 0.141 | 0.141 | 0.00 | 0.0 |
| **Total** | **8.466** | **7.113** | **-1.353** | **-16.0%** |

Establishing Charges for Victoria Police Services

6.1 Personnel and other Resources

Fees for police personnel and other resources are based on a fixed hourly rate to reflect the actual time a police member or VPS employee is required to provide the service and are directly related to the relevant police rank and VPS classification. Where the service provided is for part of an hour, the fee level reflects the disruption to the normal role or work responsibilities. Attachment 1 summarises the existing and proposed fees for the deployment of personnel and other police resources.

The cost to Victoria Police of providing personnel services is the cost for salaries and oncosts. Oncosts are the direct and indirect costs included in Attachment 2.

The review of Victoria Police fees and charges conducted as part of this RIS process has confirmed that rising salary costs have lead to an increase in the cost of delivering some of the services, primarily personnel. On the other hand, the cost of providing road transport in the form of police cars, motorcycles and buses has decreased.

The overall costing methodology for all fees and charges can be found at Attachment 3.

6.2 Information services – Personnel for the searching of files and providing interviews/affidavits

Victoria Police charges for services provided by police members and VPS personnel in recording, maintaining and searching police records and in supplying information services including:

* providing information or services as a defence witness in a criminal proceeding or as a witness for any other party in a civil proceeding
* searching for relevant police files and provide information from those files or supervise the examination of files
* providing information or services in an interview by a member of the public about an incident or accident reported to Victoria Police including a search of files, and
* requiring police members to provide a sworn affidavit.

As the fees for information services are based on the actual time required to provide the services, the calculations for these rates are the same as those for the deployment of personnel outlined above.

6.3 Other police information services – Records vetting services

Victoria Police charges for a number of other police information services involving the search and vetting of police records including:

* the provision of NPCs (that is a search of police records for existence of any criminal history) for volunteers and non-volunteers excluding fingerprint records used primarily for employment purposes and for firearms licence holders – lower categories A and B for use of shotguns and rifles
* the provision of NPCs for non-volunteers including fingerprints used primarily for security industry employment and firearms licence holders for higher categories of firearms including longarms and semi-automatics and for firearms collectors
* the search and provision of copies a crime or fire report for lost, stolen or damaged property primarily for insurance purposes
* the processing of each subrogation notice provided by loss assessors or insurers to advise of change of ownership or property and
* the search for, and provision of, a copy of a collision or accident report including the first 10 pages of witness statements (additional pages of witness statements beyond 10 pages also incurs a minimal fee).

Given the range of activities required to provide other police information services involving the vetting of police records, the costs are calculated according to the activities undertaken to provide the service. For example, provision of a NPC involves a national name search, and in the case of some employment categories a fingerprint search is also required. The user is only charged according to the activities performed to provide the service, with the user benefitting from cost efficiencies where the costs are shared by a large number of service users, service improvements and the advantage of technology. This fee also includes any fees incurred by Victoria Police in the process, for example in the case of an NPC, the cost of obtaining information from the national database of police information (CrimTrac).

Attachment 1 summaries the current and proposed fees for the provision of these other police information services involving the vetting of police records. The review of fees and charges under this RIS process has identified that while there has been an increase in the cost of providing NPCs, the cost of providing lost/stolen/or damaged property reports and subrogation notices, as well as collision and accident reports has actually remained unchanged.

6.4 Victoria Police services that currently do not attract a fee

The RIS also proposes an extension of the current categories of similar services provided by Victoria Police for private or commercial purposes that do not currently attract a fee, namely ink fingerprinting. Fees have also been established for an expanded category of resources including Victorian Public Service- VPS Grade 7, bicycles, All Terrain Vehicles (ATVs), as well as a more accurate classification of the type of Water Police fleet vessels used. For example, at certain events the Water Police can more effectively use personal water craft (PWC) rather than a boat.

### Ink Fingerprints

The proposed regulations include the provision of an ink fingerprint service which is required by members of

the public for the following personal purposes:

* employment with an interstate police jurisdiction
* temporary residency visa
* permanent residency visa
* spouse visa
* passport renewals and
* citizenship.

Victoria Police estimates that over 4,500 inked fingerprints will be requested annually. Table 6 shows that since 2010-11, 10,000 inked fingerprints have been provided to members of the public at a cost of over $570,000 to Victoria Police and, therefore as taxpayers, the broader community.

 **Table 6: Provision of Ink Fingerprints and the Cost to Victoria Police since 2010-11**

|  |  |  |
| --- | --- | --- |
| **Year** | **Ink Fingerprints Provided** | **Cost to Victoria Police****$** |
| 2010-11 | 2,167 | 141,072 |
| 2011-12 | 3,107 | 182,101 |
| 2012-13 | 4,729 | 249,874 |
| **Total** | **10,003** | **$573,047** |

Victoria Police has under recovered $573,047 over the past three financial years in providing an ink fingerprint service to members of the public. Should the requirement for Victoria Police to provide inked fingerprints to members of the public increase, as the current trend suggests, the cost to Victoria Police and ultimately the community would continue to grow and is not sustainable.

This fee category is included in under Regulation 7 of the proposed Regulations (Charges for other police information services).

Victorian Public Servant (VPS) Grade 7

The proposed regulations include a fee for VPS Grade 7 personnel to reflect the full range of the VPS personnel that could be used to provide services on a user pays basis. The number of personnel at VPS 7 represents a small percentage of the overall Victoria Police VPS work force and will have minimal impact on the cost to service users for event management and information services.

This fee category is included under Regulation 5 and 6 of the proposed Regulations (Charges for personnel and other resources and charges for information services).

Police bicycles

The proposed regulations now include bicycles which are a cost effective resource for both police and event organisers given the low costs associated with their usage. Victoria Police currently utilises bicycles which are deployed at events which require capacity to move through areas that are not easily accessible by vehicles. Bicycles have been deployed at such events as the UCI World Championships, the FINA World Swimming Championships, AFL Football and the F1 Grand Prix, however a charge has only been levied for the police member in charge of the bicycle.

This fee category is included under Regulation 5 of the proposed Regulations (Charges for deployment of personnel and other resources).

Police all terrain vehicles (ATVs or quad bikes)

The proposed regulations now include ATVs, commonly known as quad bikes, which are a safer and more cost effective resource for both police and event organisers given the low costs associated with their usage. ATVs are deployed for use for event management, where this class of vehicle is the most suitable, at the F1 Grand Prix, Moto Grand Prix, Southern 80 water ski race and the Avalon Air Show, however a charge has only been levied for the police member in charge of the ATV.

This fee category is included under Regulation 5 of the proposed Regulations (Charges for deployment of personnel and other resources).

Water Police

The proposed regulations have been updated to include fees for a wider range of Water Police vessels, including personal water craft (PWC).The inclusion of additional categories more accurately reflects the engine power and running costs of the craft and the evolving nature of the Water Police fleet. The use of Water Police vessels for event management services is limited and will have minimal impact on the cost to service users. The inclusion of additional craft reflects a similar update of the categories within the fleet when the existing regulations were made in 2004.

This fee category is included under Regulation 5 of the proposed Regulations (Charges for deployment of personnel and other resources).

Growth in under recovery of costs associated with the provision of police services

As outlined earlier, the value under recovered for personnel and other resources used for event management, as well as information services, has continued to grow since 2006 when the last fee adjustment for full cost recovery was made under the current regulations. There are two reasons for the growth in under recovery:

* personnel salary increases above the annual indexation rate set by the Treasurer and
* introduction of legislation creating additional costs to service the higher demand for information vetting services (involving fingerprinting) provided by Victoria Police.

7.1 Salary increases above the annual indexation rate

***Annual Indexation of fees and fines***

Each year, the Victorian Government automatically indexes most fees and fines for inflation, so that the real value of those fees and fines is maintained. The indexation of fees ensures that the user, rather than the general taxpayer, pays the cost of a service provided. The *Monetary Units Act 2004* governs the indexation of fee units and fine units. The Treasurer sets the indexation rate for each financial year and the value of the fee unit and penalty unit (for fines) is published in the Government Gazette and major newspapers.

***Salary increases***

The last increase to police fees and charges above indexation occurred in 2006-07. Subsequently, annual increases to fees and charges have varied between 2.22 per cent and 3 per cent since 2007-08. Salary increases above indexation have been negotiated through the Victoria Police Enterprise Bargaining Agreements (EBAs) in 2007 and 2011 for police, and 2009 and 2012 for VPS – noting these have been matched by productivity measures and bankable cost savings achieved via EBAs.

Fees and charges need to be based on the current salaries, which is one of the main drivers for a current review of Victoria Police fees and charges, to identify the actual costs.

As the gap between the cost of providing user pays services and full cost recovery is significant and the growth is unsustainable, this RIS proposes setting fees at full cost recovery and discusses the alternatives.

7.2 Effect of new legislation - Increases in service costs

The legislative change directed by the Council of Australian Governments (COAG), for a nationally consistent approach to licensing for regulation of the private security industry in 2011, requiring all private security personnel to undertake a fingerprint check as well as an NPC, resulted in a significant increase in the volume of NPCs involving fingerprint checks which rose from 1,136 in 2010-11, to 9,269 in 2011-12, then to 9,716 in 2012-13.

The additional costs incurred by Victoria Police to meet this increased demand included the purchase of additional digital LiveScan machines. The cost of the machines has been amortised and included in the proposed charges for this service, together with the associated recurring costs including ongoing LiveScan machine maintenance, National Automated Fingerprint Identification System (NAFIS) licence cost and leasing costs funded by Victoria Police to provide this service and CrimTrac fees.

A private security licence expires after three years, and fingerprints for these purposes are recorded digitally on the LiveScan machines. Fingerprints remain on record until such time that the private security licence is not renewed.

Fees and charges for police services in Australian jurisdictions

The proposed fees and charges have been calculated on the basis of the cost to Victoria Police of providing the services. A comparison of the current and proposed Victoria Police fees, with fees levied in other Australian jurisdictions is included in Table 7 in relation to, full-fee NPCs, NPC for volunteers, NPCs with a fingerprint check, and Ink fingerprints.

**Table 7: Comparison of fees charged by Australian jurisdictions for Full-Fee NPC, NPC for**

**Volunteers, NPC with a Fingerprint Check, and Ink Fingerprints**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Australian Jurisdiction** | **Full-Fee NPC****$** | **Volunteer NPC****$** | **NPC with Fingerprint Check****$** | **Ink Fingerprint****$** |
| Victoria - Current | 34.70 | 15.90 | 143.80 | 0 |
| Victoria - Proposed | 42.00 | 21.90 | 165.00 | 44.10 |
| New South Wales | 52.00 | 15.00 | 175.00 | 42.00 |
| Queensland | 51.00 | 5.15 | 181.00 | 28.45 |
| South Australia | 56.50 | 136.50 or 10 | 173.00 | 0 |
| Tasmania | 45.00 | 5.00 | 120.00 | 0 |
| Western Australia | 63.50 | 13.00 | 99.00 | 226.00 |
| Northern Territory | 52.00 | 5.00 | 126.00 | 0 |
| Australian Federal Police | 42.00 | 6.00 |  99.00  | 26.00 |

 1 A charge is imposed for a volunteer NPC where a volunteer organisation does not have an authorisation number

 provided by South Australia Police. A volunteer fee is not incurred if the volunteer organisation has an

 authorisation number.

 2 Western Australia uses the Australian Federal Police to provide ink fingerprints.

As shown in Table 7, the proposed fee for Victoria compares favourably with other jurisdictions for a
full- fee NPC and is at the lower cost level, similar to the rate charged by the Australian Federal Police, and $21.50 less than the highest rate as levied in Western Australia. The proposed fee for an NPC with fingerprints is in the mid range and between $8 and $16 less than the fees levied in South Australia, New South Wales and Queensland.

The proposed fees for ink fingerprints are above the rates set by the Australian Federal Police, Western Australia, New South Wales and Queensland, which are the only jurisdictions that charge for this service. The proposed rates are at the upper end of the charges levied across Australia for this service, at a similar level to those levied in New South Wales. Note that the proposed fees do include a separate charge for a second and third set of fingerprints. As cost recovery is the government policy in Victoria, fees and charges need to be set at full cost where appropriate.

Similarly, Table 8 provides a comparison of the current and proposed fees for Victoria, with the current fees levied by Australian jurisdictions for sworn members, for event management.

 **Table 8: Comparison of fees charged by Australian jurisdictions for sworn members at events**

|  |  |  |  |
| --- | --- | --- | --- |
| **Australian Jurisdiction** | **Officer****$** | **Sub-Officer****$** | **Other Rank****$** |
| Victoria – Current  | 115.80 | 89.00 | 74.10 |
| Victoria - Proposed | 149.40 | 112.00 | 87.50 |
| New South Wales | 113.30 | 113.30 | 113.30 |
| Queensland | 117.55 | 117.55 | 117.55 |
| South Australia1 | 0 | 0 | 0 |
| Tasmania2 | 0 | 0 | 0 |
| Western Australia2 | 0 | 0 | 0 |
| Northern Territory3 | 107.00 | 107.00 | 107.00 |
| Australian Federal Police4 | 0 | 0 | 0 |

1. SAPOL does not charge for entertainment events including football, cricket and cycling. A general charge-out rate for SAPOL personnel is $72 per hour for services other than event management.

2  Tasmania and Western Australia do not charge event management fees.

3 Minimum 2 hours attendance.

4 Cost to AFP for use of members’ time at sporting and entertainment events, for a minimum of 4 hours

 plus 150.2% of base salary (Remuneration means base salary, overtime, penalties and other allowances).

Table 8 provides a comparison of the current and proposed fees for sworn members in Victoria and also shows that the proposed fees compare favourably with other jurisdictions that charge for personnel at events. Importantly, Victoria is the only jurisdiction that charges fees specific to certain ranks, therefore ensuring users are only charged according to the rank of the police member providing the service, rather than applying a single fee across all ranks. Note that other ranks at $87.50 are considerably less than Northern Territory, New South Wales and Queensland. This is the largest personnel category deployed to events by Victoria Police.

Note that while the fee for an officer in Victoria is $149.40 per hour compared with $107 to $117.55 in the Northern Territory, New South Wales and Queensland, this is the smallest category of sworn personnel deployed to events.

Identification and assessment of options for the new regulations

Two feasible options were considered for addressing the problem of under recovery of costs associated with the provision of police services:

* remaking the fees at their existing levels which allows annual adjustment for indexation or
* regulating with the fees set to achieve full cost recovery, with the inclusion of certain police services that do not currently attract a fee.

The benefits and costs associated with each of these options are identified and assessed below.

9.1 Option 1: Retain fees at existing levels

### 9.1.1 Description

This option would involve remaking the existing regulations without amendment. Therefore, the fees would remain at the same fee units as outlined in Regulations 4, 6 and 9 of the Police Regulation (Fees and Charges) Regulations 2004. Given that the fees are set in fee units, apart from the $1 fee for photocopies and $6 fee for dogs, the dollar value of each fee would continue to be adjusted annually in line with the fee unit indexation rate approved by the Treasurer each year. Table 9 sets out the anticipated costs and revenue estimates for Option 1 in 2013-14.

 **Table 9: Revenue Estimate Under Option 1 for 2013-14**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Victoria Police Service** | 1**Cost to Serve****$m** | 1**Cost Recovery****$m** | **Amount Under Recovered****$m** | **Under Recovery****%** |
| Event Management including other Police Resources | 4.659 | 3.748 | 0.911 | 19.56% |
| Information Services including Other Police Services |  7.999  |  6.763  |  1.236  |  15.40% |
| **Total** | **$12.658** | **$10.511** | **$2.147** | **17.00%** |

1 2013-14 cost to serve and revenue figures are Victoria Police projections based on previous financial years

 and current trends.

### 9.1.2 Expected benefits

The adoption of this alternative would ensure that Victoria Police can continue to charge user fees. Therefore, users would continue to contribute to the cost of the services provided by Victoria Police. The fact that the fees are specified as fee units, enables annual automatic increases in cost recovery at the level determined by the Treasurer.

The total revenue obtained from fees collected under the authority of the current regulations was $11.215 million in 2012-13. This level of revenue, with annual adjustment for indexation, would be expected to continue to be collected annually for the 10-year life of the proposed regulations, based on the current and projected volumes of service demand.

A key benefit of this option is that the users are aware of the fees and the annual adjustment for indexation.

This option has advantages and disadvantages for stakeholders. There would be no move to higher fees to reflect full cost recovery for all police services, in particular, fees for personnel and NPCs, apart from the annual adjustment for indexation. However, where the review of the fees and charges conducted under this RIS process has identified a decrease in certain fees for event management resources and information services, the benefit of the lower fees cannot be passed on to the service users.

This option also maintains the lower fee for an NPC for volunteers who provide services to charitable and community organisations, where the organisations have been accredited by Victoria Police. This service includes the cost of Victoria Police undertaking a search on the national database when conducting name checks. CrimTrac, the Federal Government agency which enables police agencies to share policing information with one another across Australia’s state and territory borders, offers this lower fee of $7 for volunteers. The full-fee for a name search is $21.

### 9.1.3 Expected costs

The cost of this option is that it fails to align Victoria Police fees and charges with the actual cost of providing the services and does not address the growing level of disparity between the cost of the service and full cost recovery. The level of under recovery would therefore continue to grow in line with the same trend since 2006. As shown in Table 9, the level of under recovery under this option is estimated to be $2.147 million for the 2013-14 financial year.

This option also necessitates the continuation of the current level of subsidy provided by the wider community, as taxpayers, while Victoria Police costs are being under recovered. As noted earlier, Victoria Police services provided under the regulations are predominantly for private or commercial purposes. In the case of event management, where income is raised to meet the costs of conducting an event, all event costs including police services need to be included in the budget, and not subsidised by the community. Similarly, where persons utilise police information for private purposes subsidisation is not justified as there is no perceived benefit to the wider community.

Another cost of this option is that it fails to recognise that the review of Victoria Police fees and charges under this RIS process has identified the decrease in service delivery costs for certain services. The fees for police resources including horses, motor cars, motorcycles and buses would all reduce if full costs recovery was introduced.

This option also fails to include additional police services that do not currently attract a fee. In particular, ink fingerprinting is clearly a service provided for personal benefit for employment, visa or passport reasons, at a significant cost to Victoria Police. Further, without expanding the categories of fees for police resources including bicycles, all terrain vehicles and to more accurately reflect the actual cost of police vessels, Victoria Police would not be able to recover the cost of providing these services.

In comparison with other jurisdictions, the Victorian taxpayer is subsidising those who use police services for there own private reasons. For example, the current for full fee for an NPC is the lowest across Australia, between $15 to $20 less than in most other jurisdictions. While the current fee for an NPC with fingerprints in Victoria is in the mid range, it is well under the fees charged in New South Wales, Queensland and South Australia.

9.2 Option 2: Set fees at full cost recovery

9.2.1 Description

This option proposes that all fees would be set to enable Victoria Police to recover the full cost of providing these services. This option also expands the categories of services to include those that do not currently attract a fee (as outlined in section 6.4).

Importantly, the principles used to calculate the cost of providing these services would remain the same under this option, with adjustment made to reflect the full cost.

Note that the fees for the provision of other police information records vetting services, for NPCs and ink fingerprints, and have been calculated so that full cost recovery would be averaged out over a two and a half year period to 2015-16 (on the assumption that the proposed fee would come into effect from 1 January 2014).

***Schedule of fees for deployment of personnel for event management and information services***

***now included as a separate Schedule in the proposed regulations***

Under the current and proposed regulations, the fees for the deployment of police personnel for event management and the provision of information services are charged at the same hourly rate.

In the current regulations, the fees are outlined in the body of the regulations under Tables 1, 2, 3 and 4. While the services provided for under current regulations 4, 5 and 6 would continue to be outlined as separate regulations, the fees would be moved to Schedules 1, 2 and 3 for clarity and consistency. (See *Schedules 1, 2 and 3 of the draft Statutory Rule*). Attachment 1 shows a comparison of the current and proposed fees per hour for the deployment of personnel for event management and the provision of information services.

Under this option which reflects full cost recovery, fees for an officer will increase by 29 per cent, fees for a sub-officer will increase by 25.9 per cent and fees for other ranks will increase by 16.9 per cent. The fees for VPS employees will increase by 10.3 per cent for VPS Grade 1 and between 2 per cent and 43.6 per cent across the VPS Grades 2 to 6.

As explained in section 7, the cost of salary increases above indexation, particularly for sworn members, is the major driver of the higher costs to Victoria Police in providing personnel services. Note that the rate of oncosts for both sworn members and VPS has decreased as shown in Figures 2 and 3 below.

 **Figure 2: Comparison of the rate of oncosts Figure 3: Comparison of the rate of oncosts**

 **between 2004 and 2013 for sworn between 2004 and 2013 for VPS**



For every $1 spent on police salaries in 2013, an additional 67 cents are spent on oncosts. In comparison, the 2004 oncosts were 69 cents for every $1 spent on police salaries when the current fees were set. The reasons for the reduction in oncosts over the period are due to decreases in Workcover, and administrative and operating expenses. Similarly, for every $1 spent on VPS salaries the oncosts are now 63 cents, compared with 68 cents for the oncosts in 2003.

In summary, while the current rate of oncosts is slightly lower than in 2004, the salaries component has increased the cost of providing the services overall.

***Deployment of Other Police Resources***

Under this option, fees for the deployment of other police resources have been expanded to include bicycles, ATVs, and additional categories of water police vessels including PWCs. While the principles used to calculate full cost recovery for all these other police resources remain the same as under the current regulations, the hourly fee unit now includes the cost of a police member’s or members’ (referred to as crew in Appendix 1 of the draft Statutory Rule) salary as the resources can only be deployed under the control of one or two police members, as specified.

The fees for police dogs and horses do not include the cost of the police member as the rank may vary above ‘Other Ranks’. Where a fee for a police member is not included in the hourly cost, a separate charge will be required.

Attachment 1 shows a comparison of the current and proposed fees per hour for the deployment of other police resources for event management. Table 10 compares the change in the current and proposed fees, including a fee for the police member being deployed with the resource. The fee for a police horse has decreased by 32.9 per cent. Note the considerable reduction in fees for motorcycles and buses varying between 11.5 per cent for the horses to 35.2 per cent for the large bus. The fee for a motor car has decreased by 3.8. per cent.

**Table 10: Comparison of current and proposed fees for other police resources**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Fee Units** |  | **Charge per hour** |  |
| **Service** | **Current Fee Units****(Excluding Police Member)** | **Current Fee Unit****(Including Police Member and GST)** | **Proposed Fee Units** **(Excluding Police Member and Include GST)** | **Proposed Fee Units****(Including Police Member and GST)** |  | **Current Fee Per Hour****(Excluding Police Member)****$** | **Current Fee Per Hour** **(Including Police Member and GST)****$** | **Proposed Fee Per Hour****(Excluding Police Member and Include GST)****$** | **Proposed Fee Per Hour****(Including Police Member and GST)****$** | **Change Fee Per Hour** **(Including Police Member and GST)****%** |
|  |  |  |  |  |  |  |  |  |  |  |
| Police dogs\*\* | $6 | $6.6 | 2.0 | 2.0 |  | 6.00 | 6.60 | 25.50 | 25.50 | 286% |
| Police horses\*\* | 4.1 | 4.5 | 3.0 | 3.0 |  | 52.6 | 57.90 | 38.80 | 38.80 | -32.9% |
| Police bicycle | N/A | N/A | 0.3 | \*7.1 |  | N/A | N/A | \*\*4.30 | 91.80 | N/A |
| Police motor car  | 2.0 | 8.0 | 0.9 | \*7.7 |  | 25.70 | 103.10 | \*\*11.70 | 99.20 | -3.8% |
| Police all terrain vehicle | N/A | N/A | 0.5 | \*7.4 |  | N/A | N/A | \*\*7.00 | 94.60 | N/A |
| Police motor cycle | 2.7 | 8.0 | 1.0 | \*7.8 |  | 34.70 | 113.00 | \*\*12.50 | 100.00 | -11.5% |
| Small police bus | 2.8 | 8.8 | 0.6 | \*7.4 |  | 36.00 | 114.40 | \*\*7.10 | 94.60 | -17.3% |
| Medium police bus | 4.6 | 10.9 | 1.0 | \*7.8 |  | 59.10 | 139.80 | \*\*12.20 | 99.70 | -28.7% |
| Large police bus | 6.6 | 13.1 | 1.7 | \*8.5 |  | 84.70 | 168.10 | \*\*21.50 | 108.90 | -35.2% |
| Light Twin Engine EB135\*\*\* | 246.9 | 277.4 | 288.5 | 295.4 |  | 3,170.20 | 3,562.10 | \*\*3,705.00 | 3,792.40 | 6.5% |
| Medium Twin Engine N3\*\*\*\* | 444.7 | 500.8 | 477.1 | 490.7 |  | 5,709.90 | 6,430.70 | \*\*6,125.80 | 6,300.70 | -2.0% |

**Note:** \* The fee for all these resources includes the cost of a sworn member at the Other Rank level

 \*\* Excludes cost of a sworn member deployed with the resource for comparison purposes

\*\*\* Currently includes one crew member. However as 2 crew will be deployed in future the current fee per hour has been adjusted accordingly

 \*\*\*\* Currently includes one crew member. However as 3 crew will be deployed in future the current fee per hour has been adjusted accordingly

The fee for the small twin helicopter has increased by 6.5 per cent as the former craft was a single engine helicopter. The fee for the medium twin engine helicopter has decreased slightly by 2 per cent. Note that there is limited use of these air craft.

***Water Police Vessels***

Attachment 1 also shows the current fee categories for water police vessels, and the expanded categories to be included in the proposed regulations. It is difficult to show a comparison of the cost increases given the differing sizes of the vessels and the inclusion of crew members.

With the proposed introduction of PWCs, the proposed hourly fee of $119.60 includes the salary of a police member at $87.50 per hour. A comparison of the fee per hour for a small single engine craft, with a police member, under the current fees would equate to $152.50.

Similarly, the proposed fee per hour for a police twin engine motor boat over 10 metres, with two crew, would be $454.70. In comparison, the fee per hour for a twin engine motor boat over 10 metres with two crew, under the current regulations is $567.80. The proposed fee for a motor boat over 12 metres including two crew is $579.50.

Note that there is limited use of the Water Police fleet.

***Provision of other police information services – Records vetting services***

Under this option, a fee for an ink fingerprint service has been introduced. The existing services listed in the current regulations remain. Attachment 1 shows a comparison of the current and proposed fees for the existing other police information records vetting services.

The fee increases to bring NPCs to full cost recovery are significant and are between 14.7 per cent and 37.7 per cent. Attachment 3 outlines the activities required for these records vetting services. However, fees for collision and accident reports and stolen, lost or damaged property will remain unchanged.

The calculation of the proposed fees for NPCs and ink fingerprints take into account the known costs that will impact on service delivery, such as salary increases under the EBA for VPS to 2015-16. An adjustment has been made to take into account the salary increases above indexation averaged over the same 2.5 year period. During this period, there will be minor instances of over and under recovery for these services and as demonstrated in Table 11, coming to a net cumulative cost recovery of zero. Note that the calculations are based on the assumption of 2.25 per cent for the period.

Note there would be no further increases other than the annual fee unit indexation rate as approved by the Treasurer in future years, without public consultation.

**Table 11: Projected fees for other police services up to 2015-16 and the level of under or over recovery for each year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Service** | **2013-14 Fee1** **$** | **Recovery****$** | **2014-15 Fee****$** | **Recovery****$** | **2015-16 Fee****$** | **Recovery****$** | **Cumulative Under/Over Recovery****$** |
| **National Police Certificates** |  |  |  |  |  |  |  |
| NPC volunteer | 21.88 | 4,212 | 22.37 | **-2,914** | 22.87 | **-1,298** | **0** |
| NPC full-fee | 41.96 | 47,197 | 42.90 | 10,210 | 43.86 | -57,407 | **0** |
| NPC and fingerprint check | 165.01 | **-46,422** | 168.72 | 7,579 | 172.52 | 38,843 | **0** |
| **Ink Fingerprints** |  |  |  |  |  |  |  |
| One set | 44.14 | **-2,873** | 45.13 | **-1,123** | 46.14 | 3,996 | **0** |
| Two sets | 62.10 | **-815** | 63.50 | **-319** | 64.91 | 1,134 | 0 |
| Three sets | 80.04 | **-194** | 81.84 | **-76** | 83.68 | 270 | 0 |

1 The proposed fees are assumed to commence on 1 January 2014.

The volume of the services provided by Victoria Police can fluctuate from year to year and can be affected by external factors such as legislative requirements. As mentioned in section 7.2, Victoria Police has also incurred additional costs due to the legislative requirement for security industry licence applicants who are now required to obtain an NPC and fingerprint check as part of their licence assessment.

While Victoria Police has projected full cost recovery to 2015-16, projections beyond 2015-16 are subject to the impact of future costs movements such as salary EBAs. The proposed regulations only recover what it costs Victoria Police to provide the service.

The history of police fees and charges has shown that indexation has not kept pace with increasing costs. Indeed, as outlined in this RIS, the disparity between cost recovery and the cost in providing services has continued to grow since the last fee increase above indexation in 2006.

Victoria Police will continue to monitor the cost of event management and information services and to identify further streamlining of processes.

Note there would be no further increases other than the annual fee unit indexation rate as approved by the Treasurer in future years, without public consultation.

9.2.2 Expected benefits

The setting of fees and charges at full cost recovery for Victoria Police event management and information services is directly related to recouping the actual costs of the service delivery, as a tool to manage demand, by minimising any unnecessary use of police resources which are primarily provided for the benefit of the community. Victoria Police anticipates revenue of $12.658 million in 2013-14 on the basis that all costs are fully recovered under this option. The projected costs are included in Table 9.

Increased accountability discourages indiscriminate use of these community resources being used for private benefit, and in the case of events, encourages organisers to talk to police to examine ways of re-staging an event to minimise the need for police services and as a consequence their event costs. This would be beneficial to all event organisers, in particular, those conducting the smaller events across Victoria.

This option also enables Victoria Police to set a fee for all services including ink fingerprints, VPS Grade 7 personnel, and expanding the categories of resources to include bicycles, ATVs, and more accurate classification of vessels including PWCs.

The principles used to calculate the cost of providing these services are consistent with the current regulations. This applies to the new fees for services to be introduced. This approach provides reassurance to users of the consistent application of the fees and charges made for police services.

This option maintains the lower fee for NPCs for volunteers who provide services to charitable and community organisations, where the organisations have been accredited by Victoria Police.

At the proposed fee of $21.90, an increase of $6.00, for each NPC for a volunteer is in line with the $7.30 increase proposed for those paying full fee for an NPC and reflects the actual cost of the service. Moreover, the proposed charge for volunteer is approximately 52 per cent of the full-fee NPC and in line with the current fee ratio for volunteers to full-fee NPCs. The current fee for volunteers is 46 per cent of the full-fee NPC.

9.2.3 Expected costs

All users of police services would be affected by the proposed fee increases, however they also benefit from using the police services. Where the fees are not set at full cost recovery, the community cannot carry the burden including subsidising part of the costs, where the use is for private purposes. At present, the wider community is subsidising the cost of an NPC required for employment purposes. Similarly, where admission or participation charges or sponsorship is raised to meet the cost of an event, the event budget needs to reflect all event costs including the cost of police services.

The principles used to calculate the cost of providing these services are consistent with the current regulations.

The users of police services such as event organisers or insurance companies, who would be subject to the increased fees and charges may pass on the increased costs incurred to their participants in the form of higher entry/participation fees or in the case of insurance companies, their clients being made to meet all related expenses. This is a generally accepted business practice. There may be some scope for the event organiser or insurance company to absorb some of the additional policing costs.

The proposed fee for an NPC for volunteers remains above the fee levied in the other jurisdictions. South Australia does not charge for an NPC for volunteers with accredited organisations and the other jurisdictions charge between $5 and $15. It should be noted that the fee payable by Victoria Police to the government agency responsible for the national database, CrimTrac, is $7 for volunteers and $21 for a full-fee service.

Event Management Police Services – Consideration of a subsidy through a waiver of police charges

A mitigating factor against the expected costs of this option for event management is that the Victoria Police fees and charges policy provides for the consideration of an application to waive a proportion of the police charges. The proposed regulations ensure that the users of services provided by Victoria Police make an appropriate contribution towards the cost of providing the services. The Chief Commissioner or his delegate is responsible for determining whether police charges levied under the regulations are to be covered by a subsidy, therefore waived. To this end, Victoria Police may waive all or part of police charges for event management where event organisers can demonstrate the imposition of police charges would threaten the viability of the event, or its staging in Victoria.

Event organisers may also request a review of the waiver decision based on new information, if previously unsuccessful in applying for a waiver. Table 12 shows the number of applications for fee waivers, the number

of waivers granted by Victoria Police and the total amount waived since 2010-11.

**Table 12: Applications for Fee Waivers, Waivers Granted by Victoria Police and Amount Waived**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Waiver Applications** | **Waiver Applications Granted** | **Amount Waived by Victoria Police****$** | **Percentage of Applications Waived%** |
| 2010-11 | 19 | 8 | 42,508 | 42.1% |
| 2011-12 | 22 | 6 | 21,887 | 27.3% |
| 2012-13 | 20 | 3 | 39,355 | 15.0% |
| **Total** | **61** | **17** | **$103,750** | **27.9%** |

As Table 12 shows, 27.9 per cent of applications for part or full fee waivers for event management have been successful over the past three years.

While the Victoria Police fees and charges policy provides consideration of subsidy to protect the viability of a variety of events, the guidelines for police attendance at events places emphasis on thorough planning and early consultation with Victoria Police. Thorough planning by event organisers with Victoria Police helps to mitigate operational risks, which in turn assists to reduce the burden on police services and the cost imposed on event organisers for the use of those police services. By re-staging an event, an event organiser can reduce the level of police needed and therefore reduce their event costs.

Attachment 4 provides an overview of the Event Management Policy, including the Waiver process.

Conclusion and recommendation

Both options provide alternatives for setting fees for police services, however demand management for police services is a key component of the problem to be addressed through this RIS.

Option 1 shows that the current regulations have been in operation for nearly ten years and the disparity between the cost to police in providing the service and the level to which Victoria Police can recoup their costs continues to increase. While there has been a reduction in costs in some police services, such as horses, motor cars, motorcycles, and buses, as outlined in Table 10, the hours allocated to these resources are not significant compared to deployment of personnel.

Consideration has been given to the public and private benefits attained from the use of police resources for private or commercial purposes. While members of the community utilise police event management and information resources, it is for their own private benefit. Apart from persons volunteering with charitable or community organisations requiring an NPC.

The difficulty is that the current level of subsidy by the community through the Victoria Police budget is unsustainable. The current regulations do not address the increase in police salary costs and cost impacts relating to service demand. Nor does this option recognise a reduction in some fees. The cost of providing police resources including horses, motor cars, motorcycles and buses has reduced considerably. A comparison of the current and proposed fees and charges are included In Table 10.

Option 1, which maintains the current regulations, does not enable Victoria Police to introduce fees for services that currently do not attract a charge. This is, Option 1 does not enable Victoria Police to charge for ink fingerprints, VPS Grade 7 personnel, bicycles, ATVs, and the wider range of police vessels which would otherwise be subsidised by the community, as taxpayers.

While it is acknowledged that the current regulations enable Victoria Police to recoup some of the cost increases through annual indexation of fees as approved by the Treasurer, the growing gap in cost recovery is unsustainable.

Option 2, setting fees at full cost recovery, is recommended as the most appropriate option to address the problem of managing demand for police resources and the growing disparity between increasing costs and the current level of cost recovery. Recovering the full cost of Victoria Police services is consistent with the general principle of the government Cost Recovery Guidelines

Apart from adjustment for full cost recovery, Option 2 supports the remaking of the current regulations which have been in place since 2004, with inclusion of a new service for ink fingerprints and expanded categories of police services directly related to the current service provision where these services do not currently attract a charge. The proposed fees are now included in Schedules 1, 2 and 3 of the draft Statutory Rule, having been moved from the body of the proposed regulations.

Option 2 also recognises that fees for certain services either remain at the same level or have reduced with the cost savings to be passed on to the service users.

Option 2 reflects the known cost increases that will impact on the cost of police services for the deployment of personnel in 2013-14, and in the case of other police information services, the proposed fee is set on the basis of ensuring a cumulative full cost recovery over a two and a half year period to 2015-16. Future adjustments will be through annual indexation at the fee unit rate for indexation determined by the Treasurer.

By setting fees to recoup the full resourcing costs incurred by police, the level of demand for the services is related to the full costs of providing the service. Option 2 promotes the economically efficient use of Victoria Police resources by recognising the extent of the current burden on Victoria Police and that provision of police services at that level cannot be sustained.

Based on past experience, it is anticipated that Victoria Police will begin to under recover the cost of providing event management services and beyond 2015-16 for police information records vetting services.

This RIS does not preclude a review of the regulations within the 10-year life of the proposed regulations, to realign the cost to Victoria Police in providing the service to full cost recovery if necessary. Public consultation would be included in any future review.

Option 2 is assessed as the most effective means of achieving a matching of costs incurred against fees and charges levied, with the users of police services for private purposes recognising the actual costs of the services. This is important to deter the unnecessary diversion of police resources from their primary purpose in serving the community.

It is proposed that the regulations will take effect from 1 January 2014. The community consultation through the RIS process will enable stakeholders to prepare for an increase in fees for police services.

Victoria Police will continue to monitor the cost of event management and information services against the fee units set in the regulations and to identify further streamlining of processes where appropriate.

Consultation

The Department of Justice and Victoria Police have developed the proposed regulations. Initial consultation has been undertaken with various Victorian government departments or agencies identified as having a vested interest in the proposed regulations. Feedback from those agencies has been sought with responses integrated into this RIS, where applicable.

The release of this RIS provides opportunity for consultation with users of the police services captured under the draft regulations in relation to the proposed fees. Public comment in response to the RIS and the draft regulations will be received for greater than 28 days following the release of the RIS, as required by the *Subordinate Legislation Act 1994*. While the Victorian Guide to Regulation indicates that a 60-day consultation period is preferred and should be adopted where applicable, this is not regarded as feasible in the current circumstances as the existing regulations are due to sunset on 3 February 2014.

Through early consultation with other Victorian government departments and agencies, key stakeholders expected to be affected by the proposed regulations have been identified. The Department of Justice will write to the identified stakeholders with the release of RIS and draft regulations alerting them to the release and seeking their comments on the issues raised. This is in addition to the release of the RIS for public consultation being advertised in the Victorian Government Gazette as well as a major Victorian newspaper.

Statement of compliance with National Competition Policy

The National Competition Policy Agreements (NCPA) set out specific requirements with regard to all new legislation adopted by jurisdictions that are party to the agreements. Clause 5(1) of the Competition Principles Agreement sets out the basic principle that must be applied to both existing legislation, under the legislative review process, and to proposed legislation:

*The guiding principle is that legislation (including Acts, enactments, Ordinances or Regulations) should not restrict competition unless it can be demonstrated that:*

1. *the benefits of the restriction to the community as a whole outweigh the costs; and*
2. *the objectives of the regulation can only be achieved by restricting competition.*

Under the *Victorian Government’s Competition Policy Guidelines*, any proposed regulation needs to be assessed as to whether or not the proposed statutory rule contains a restriction on competition.

Action was taken to identify whether there is any restriction on competition by Victoria Police in providing information services as well as personnel and other resources.

***Victoria Police Services – Personnel Resources (Police Members)***

There is a clear distinction between services deployed by Victoria Police at events and those, for example, provided by crowd controllers employed within the private security industry. In possessing unique common law and statutory powers, Victoria Police members are not only subject to a number of accountability mechanisms, but are highly trained and possess expertise in a number of areas including road safety, emergency response, civil disobedience and maintenance of good order.

The private security industry has a specific crowd control function quite separate to the services undertaken by Victoria Police members. The imposition of user charges for events has actually encouraged the use of private security industry crowd controllers, at a lower cost to event organisers and has reduced the unnecessary use of Victoria Police resources where their expertise/unique powers are not required.

Event organisers are encouraged to consider ways of re-staging the event to minimise the need for police services, e.g. taking an event “off-road” to eliminate the need for police to control roads/traffic, using mobile traffic signals, removing the consumption of alcohol and reconsidering the start and finish times for an event. Event organisers need to remember the link that exists between how an event is staged and the level of police resources required.

***Victoria Police Services – Other Personnel and Other Resources***

Victoria Police other services such as VPS employees, road transport and vehicles, Air Wing, Water Police, Police dogs and Police horses are specific to the operational requirements of Victoria Police and cannot be provided by alternative means. While services provided by VPS employees could be provided through alternative means this could not occur without incurring additional costs.

***Victoria Police Services – Information Services***

The information being gathered and stored is the responsibility of Victoria Police and the activities of providing the information services constitute that of a wholesaler and therefore competition issues do not arise.

***Conclusion***

No restrictions on competition have been identified in connection with the proposed regulations. Therefore, the regulations are considered fully compliant with the National Competition Policy.

Appendix 1: Proposed Police Regulation (Fees and Charges) Regulations 2013

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Victoria Police****Resources** | **Current****Fee Unit** | **Current Fee Unit GST Inclusive** | **Proposed Fee Unit GST****Inclusive** | **Current Charges****$** | **Current Charges GST Inclusive****$** | **Proposed****Charges GST Inclusive****$** | **Percentage Change in Charges** |
|   |  |  |  |  |  |  |  |
| PERSONNEL SERVICESEvent Management and Provision of Information |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Charged for the first hour or part of an hour, and thereafter, for each half hour or part of a half hour |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Members of Victoria Police  (Police members) |  |  |  |  |  | Full Cost Recovery |  |
|  |  |  |  |  |  |  |  |
| CURRENT |  |  |  |  |  |  |  |
|  Officers | 8.2  | 9.0 | 11.6  | 105.30 | 115.80 | 149.40 | 29.0% |
|  Sub-officers | 6.3  | 6.9 | 8.7  | 80.90 | 89.00 | 112.00 | 25.9% |
|  Other Ranks | 5.3 | 5.8 | 6.8  | 68.10 | 74.90 | 87.50 | 16.9% |
| VPS Staff |  |  |  |  |  |  |  |
| VPS 7 | - | - | 12.7  | - | - | 163.10 | New fee |
| VPS 6 | 8.6  | 9.5 | 9.8 | 110.40 | 121.50 | 125.30 | 3.2% |
| VPS 5 | 6.6  | 7.3 | 7.5  | 84.70 | 93.20 | 96.60 | 3.6% |
| VPS 4 | 5.6  | 6.2 | 6.3 | 71.90 | 79.10 | 80.80 | 2.2% |
| VPS 3 | 4.7  | 5.2 | 5.3  | 60.30 | 66.40 | 67.70 | 2.0% |
| VPS 2 | 3.7  | 4.1 | 4.1  | 47.50 | 52.30 | 53.20 | 1.9% |
| VPS 1 | 2.9  | 3.2 | 3.5 | 37.20 | 41.00 | 45.20 | 10.3% |
|  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Victoria PoliceResources | CurrentFeeUnits | Current Fee UnitsIncluding Police Member and GST | ProposedFee UnitsIncluding Police Member and GST | Current ChargesExcluding Police Member$ | Current ChargesIncludingPolice Member and GST | ProposedChargesIncluding Police Member andGST | Percentage Change in Charges |
|  |  |  |  |  |  |  |  |
| **OTHER SERVICES** *Event Management* |  |  |  |  |  | Full CostRecovery |  |
|  |  |  |  |  |  |  |  |
| *Charged for the first hour or part of an hour, and thereafter, for each half hour or part of a half hour* |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Road (\*Inc. 1 crew)** |  |  |  |  |  |  |  |
| Motor Car Police | 2.0 | 8.0 | \*7.7 | 25.70 | 103.10 | \*99.20 | -3.8% |
| Motor Cycle Police | 2.7 | 8.8 | \*7.8  | 34.70 | 113.00 | \*100.00 | -11.5% |
| Bus Police - Small | 2.8 | 8.9 | \*7.4  | 36.00 | 114.40 | \*94.60 | -17.3% |
| Bus Police - Medium | 4.6 | 10.9 | \*7.8  | 59.10 | 139.80 | \*99.70 | -28.7% |
| Bus Police - Large | 6.6 | 13.1 | \*8.5  | 84.70 | 168.10 | \*108.90 | -35.2% |
| Police Bicycles | - | - | \*7.1  | - | - | \*91.80 | New fee |
| Police all terrain vehicles (ATVs) | - | - | \*7.4  | - | - | \*94.50 | New fee |
|  |  |  |  |  |  |  |  |
| **Water Vessels – Current Categories** |  |  |  |  |  |  |  |
| Police motor boat 5 metres or less with a single engine | 5⋅5 | 11.8 | - | 70.60 | 152.50 | N/A | See over the page to the list |
| > 5 metres with a single engine | 15⋅6  | 28.8 | - | 200.30 | 370.10 | N/A | of new categories |
| 10 metres or less with a twin engine | 24⋅4  | 38.5 | - | 313.30 | 494.50 | N/A | of vessels |
| > 10 metres with a twin engine | 29⋅6  | 44.2 | - | 380.10 | 567.90 | N/A |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Victoria PoliceResources | CurrentFeeUnits | Current Fee UnitsIncl. GSTandMember/s | Proposed Fee UnitsIncl. GSTand Member/s | Current Charges$ | Current ChargesIncl. GST and Member/s$ | ProposedCharges Incl. GST and Member/s$ | Percentage Change in Charges |
| **Water Vessels – Proposed Categories** |  |  |  |  |  |  |  |
| Personal Water Craft (PWCs) (includes 1 crew | - | - | 9.3 |  |  | 119.60 |  |
| Police motor boat less than 5 metres (includes 1 crew) | - | - | 9.4 |  |  | 120.70 |  |
| Police motor boat more than 5 metres (includes 2 crew) | - | - | 16.6 |  |  | 213.30 |  |
| Police motor boat 6 metres and over with a single engine (includes 2 crew)  | - | - | 22.9 |  |  | 293.50 |  |
| Police motor boat 6 metres and over with a twin engine (includes 2 crew)  | - | - | 22.8 |  |  | 292.90 |  |
| Police motor boat 7.4 metres and over with a twin engine (includes 2 crew)  | - | - | 29.0 |  |  | 372.80 |  |
| Police motor boat 10 metres and over (includes 2 crew)  | - | - | 35.4 |  |  | 454.70 |  |
| Police motor boat 12 metres and over (includes 2 crew)  | - | - | 45.1 |   |  | 579.50 |  |
|  |  |  |  |  |  |  |  |
| **Air Wing Helicopter Police (Incl. Crew)** |  |  |  |  |  |  |  |
| Twin Engine (Eurocopter 135) | 246.9 | 277.4 | 295.4 | 3,170.20 | 3562.10 | 3,792.40 | 6.5% |
| Twin Engine (Dauphin N3) | 444.7 | 500.8 | 490.7 | 5,709.90 | 6430.70 | 6,300.70 | -2.0% |
|  |  |  |  |  |  |  |  |
| **Mounted (Excl. Crew)**  |  |  |  |  |  |  |  |
| Horse Police | 4.1 | 4.5 | 3.0 | 52.60 | 57.90 | 38.80 | -32.9% |
|  |  |  |  |  |  |  |  |
| **Dog Squad (Excl. Crew)**  |  |  |  |  |  |  |  |
| Dog Police | $6 | $6.6 | 2.0 | 6.00 | 6.06 | 25.50 | 286.0% |
| Equipment - Equipment purchases specific to an event are made under Victorian Government procurement policy |  |  |  |  |  | Cost of Equipment |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Victoria PoliceResources | CurrentFee Units | Proposed Fee Units | Current Charges$ | ProposedCharges$ | Percentage Change in Charges |
|  |  |  |  |  |  |
| **OTHER POLICE SERVICES** (Record Services)  |  |  |  | Full CostRecovery |  |
| Charges reflect the cost of the full service provided |  |  |  |  |  |
|  |  |  |  |  |  |
| National Police Certificates |  |  |  |  |  |
| NPC volunteer | 1.24 | 1.7 | 15.90 | 21.90 | 37.7% |
| NPC full fee | 2.7 | 3.3 | 34.70 | 42.00 | 21.0% |
| NPC and fingerprint check | 11.2 | 12.9 | 143.80 | 165.00 | 14.7% |
| Ink Fingerprints |  |  |  |  |  |
| One set | - | 3.4 | - | 44.10 | New fee |
| Two sets | - | 4.8 | - | 62.10 | New fee |
| Three sets | - | 6.2 | - | 80.00 | New fee |
| Stolen, Lost or Damaged Property |  |  |  |  |  |
| Search of relevant police records - provide a copy of a crime or fire report | 3.3 | 3.3 | 42.40 | 42.40 | 0% |
| Process each subrogation notice | 1.1 | 1.1 | 14.10 | 14.10 | 0% |
| Collision or Accident |  |  |  |  |  |
| Search for an accident report and witness statement | 3.6 | 3.6 | 46.20 | 46.20 | 0% |
| Copies of additional pages | $1 | $1 | 1.00 | 1.00 | 0% |

VICTORIA POLICE

**FEES AND CHARGES – ONCOSTS**

|  |
| --- |
| **Oncosts applied on Sworn Personnel Costs** |
| **POLICE** | **2003-04** | **2013-14** | **Difference** |
| **Direct Costs:** |  |  |  |
| Salary On-Costs: |  |  |  |
| Holiday Pay Loading | 1.4% | 1.4% | 0.0% |
| Long Service Leave | 2.5% | 2.5% | 0.0% |
| Payroll Tax | 5.8% | 5.6% | -0.3% |
| WorkCover (formerly WorkCare) | 8.8% | 3.9% | -5.0% |
| Administrative & Operating Expenses | 20.3% | 16.7% | -3.6% |
| **Sub-total direct costs** | **38.8%** | **29.9%** | **-8.9%** |
|  |  |  |  |
| **Indirect Costs:** |  |  |  |
| Accommodation | 3.9% | 3.6% | -0.3% |
| Superannuation | 12.0% | 13.5% | 1.5% |
| Overheads | 7.3% | 9.5% | 2.2% |
| Depreciation | 2.8% | 2.8% | 0.0% |
| Return on Assets | 4.3% | 7.5% | 3.2% |
| **Sub-total in-direct costs** | **30.2%** | **36.9%** | **6.7%** |
| **Total Oncosts** | **69.0%** | **66.9%** | **-2.2%** |

|  |
| --- |
| **Oncosts applied on VPS Personnel Costs** |
| **VPS** | **2003-04** | **2013-14** | **Difference** |
| **Direct Costs:** |  |  |  |
| Salary On-Costs: |  |  |  |
| Holiday Pay Loading | 1.4% | 1.4% | 0.0% |
| Long Service Leave | 2.5% | 2.5% | 0.0% |
| Payroll Tax | 5.8% | 5.6% | -0.3% |
| WorkCover (formerly WorkCare) | 8.8% | 3.9% | -5.0% |
| Administrative & Operating Expenses | 20.3% | 16.7% | -3.6% |
| **Sub-total direct costs** | **38.8%** | **29.9%** | **-8.9%** |
|  |  |  |  |
| **Indirect Costs:** |  |  |  |
| Accommodation | 3.9% | 3.6% | -0.3% |
| Superannuation | 11.1% | 9.3% | -1.8% |
| Overheads | 7.3% | 9.5% | 2.2% |
| Depreciation | 2.8% | 2.8% | 0.0% |
| Return on Assets | 4.3% | 7.5% | 3.2% |
| **Sub-total in-direct costs** | **29.3%** | **32.7%** | **3.4%** |
| **Total Oncosts** | **68.1%** | **62.6%** | **-5.5%** |

**PROPOSED - POLICE REGULATION (FEES AND CHARGES) REGULATIONS**

**Costing Methodology for proposed fees and charges for police services**

**Personnel Services - Sworn and VPS (Proposed regulation 5 and 6)**

The cost to Victoria Police of providing personnel services is the cost for salaries and oncosts.

*Salary costs* *for police members* have been calculated on the basis of salaries within each of the three categories of *Officer*, *Sub-officer* and *Other rank*s that are used to even management purposes. The total salary cost has been calculated by multiplying the base salary for each incremental level within each rank, plus oncosts, by the number of police at each rank. Police members’ available operational hours are then divided into the total salary cost to arrive at an average hourly salary cost for each category.

*Salary costs* *for VPS employees* have been calculated on the basis of the salary range within each of the seven classification levels (VPS Grade 1 to Grade 7). The hourly rate for each level of VPS has been calculated by dividing the total salary cost (determined at the mid range of each salary level, plus oncosts) by the available hours.

Oncosts can be broken further into:

* Direct costs: Include payroll tax, superannuation, Workcover, holiday loading, long service leave provision and administrative and operating expenses; and
* Indirect costs: Include accommodation, corporate overheads, depreciation and the capital assets charge.

The following table provides a breakdown of the salary and oncost component for the fee charged for sworn and VPS personnel.

***Sworn – Salaries and oncosts***

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Officer** | **Sub Officer** | **Other Ranks** |
| Salary | $ 91.70 | $ 68.80 | $ 53.70 |
| Oncost | $ 57.70 | $ 43.20 | $ 33.80 |
| **Total** | **$149.40** | **$112.00** | **$ 87.50** |

***VPS – Salaries and oncosts***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **VPS 1** | **VPS 2** | **VPS 3** | **VPS 4** | **VPS 5** | **VPS 6** | **VPS 7** |
| Salary | $ 28.50 | $ 33.60 | $ 42.70 | $ 51.00 | $ 60.90 | $ 79.00 | $102.80 |
| Oncost | $ 16.70 | $ 19.70 | $ 25.00 | $ 29.90 | $ 35.70 | $ 46.30 | $ 60.30 |
| **Total** | **$ 45.20** | **$ 53.20** | **$ 67.70** | **$ 80.80** | **$ 96.60** | **$125.30** | **$163.10** |

**Other Resources (Proposed regulation 5)**

**Dogs**

The hourly cost of a horse includes the purchase, training and development costs incurred in the first two years of the life of the dog, spread over its operational life. The ongoing cost during the dog’s operational life includes the salary involved in maintaining the dog; vet services and products; and dog food.

|  |  |
| --- | --- |
|  | **Dogs** |
| Establishment cost | $ 4.70 |
| Salary for care of dog | $ 20.50 |
| Operating costs | $ 0.30 |
| **Total** | **$ 25.50** |

**Horses**

Similar to the cost of dogs, the hourly cost of a horse includes the purchase, training and development costs incurred in the first two years of the life of the horse, spread over its operational life. The ongoing cost during the horses operational life includes the salary involved in maintaining the horse; food, transportation and stable for the horse; and costs for specialist care and equipment.

|  |  |
| --- | --- |
|  | **Horses** |
| Establishment cost | $ 11.30 |
| Salary for care of horse | $ 24.90 |
| Operating costs | $ 2.60 |
| **Total** | **$ 38.80** |

**Police Water Vessels - Boats and Personal Water Crafts**

All categories of Police Water Vessels (boats and personal water crafts) outlined in the RIS include the cost of the vessel, fuel and operating costs such as maintenance and insurance. Where applicable, the cost to berth the vessel has been including.

All Police Water Vessels include the cost of either one or two crews (as indicated in the table below). The salary cost for the crew member/s have been included in the proposed fees.

Where there are multiple vessels available under a category, the hourly rate has been determined based on an average.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | PWC\* | Boat Less than 5m\* | Boat Less than 5m\*\* | Boat 6m and overSingle engine\*\* | Boat 6m and overTwin engine\*\* | Boat 7.4m and overTwin engine\*\* | Boat 10m and over\*\* | Boat 12m and over\*\* |
| **Vessel** | $ 0.30 | $ 0.90 | $ 0.30 | $ 1.10 | $ 0.50 | $ 3.40 | $ 9.90 | $ 7.30 |
| **Salary** | $ 87.50 | $ 87.50 | $174.90 | $ 174.90 | $174.90 | $174.90 | $174.90 | $174.90 |
| **Operating** | $ 31.80 | $ 32.30 | $ 32.30 | $ 117.40 | $117.50 | $194.40 | $269.80 | $397.30 |
| **Total** | **$119.60** | **$120.70** | **$207.50** | **$ 293.50** | **$292.90** | **$372.80** | **$454.70** | **$579.50** |

\*Includes 1 crew member

\*\*Includes 2 crew members

**Helicopters**

The hourly cost for helicopters include operational expenses such as fuel, fly charges and landing fees. It also includes operating expenses such as training, maintenance and aircraft insurance.

The hourly cost for the medium twin includes three crews, while the light twin includes two crews. The following table provides a breakdown of the costs

|  |  |  |
| --- | --- | --- |
|   | **Medium TwinHourly Rate** | **Light TwinHourly Rate** |
| Operational Charges |  $ 5,640.30 |  $ 3,219.4 0 |
| Operating Expenses |  $ 336.20 |  $ 336.20 |
| Salaries |  $ 324.30 |  $ 236.80 |
| **Total**  |  **$ 6,300.70**  |  **$ 3,792.50** |

**Motor Vehicles**

The cost of motor vehicles include the cost of the lease of the vehicle, operating costs (such as fuel and maintenance), and the cost of the fit up and decommissioning of motor cars and motorcycles. The following table provides a breakdown of the cost.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **CarHourly Rate** | **MotorcycleHourly Rate** | **Small BusHourly Rate** | **Medium BusHourly Rate** | **Large BusHourly Rate** |
| Total Lease Cost | $ 7.60 | $ 7.20 | $ 5.40 | $ 9.70 | $19.90 |
| Operating Cost | $ 3.50 | $ 4.70 | $ 1.70 | $ 2.60 | $ 1.60 |
| Fit-up & Decommission costs | $ 0.50 | $ 0.60 |  0 |  0 |  0 |
| **Total** | **$ 11.70** | **$12.50** | **$ 7.10** | **$12.20** | **$21.50** |

**All Terrain Vehicles (ATVs)**

The hourly cost of an ATV includes the cost of the ATV and operating expenses, such as maintenance and fuel. As there are multiple ATVs, the hourly rate has been determined based on an average.

|  |  |
| --- | --- |
|  | **Hourly Rate** |
| ATV |  $ 0.20 |
| Operating Expenses |  $ 6.80 |
| **Total**  | **$ 7.00** |

**Bicycle**

The hourly cost of a bicycle includes the cost of the asset and operating expenses, such as maintenance.

|  |  |
| --- | --- |
|  | **Hourly Rate** |
| Bicycle |  $ 0.10 |
| Operating Expenses |  $ 4.30 |
| **Total**  |  **$ 4.30** |

**Provision for Information – Personnel for searching files, and providing interviews/ affidavits and as a witness in court (Proposed regulation 6)**

Charges are based on the time spent by a member of the Police Force and persons employed in the Officer of the Chief Commissioner to provide the service under this regulation. Hence, the fee applied is based on the personnel rates.

**Other Police Information Services - Records Vetting Services (Proposed regulation 7)**

**Inked Fingerprints**

The cost for inked fingerprints is comprised of the resources required to undertake the activities involved in providing inked fingerprints. This includes the resource required to make the appointment for the applicant to attend a fingerprinting location and the actual time taken to provide the ink fingerprints. Further, the oncosts and overheads expenses have been included.

The cost of additional sets of inked fingerprints only include the additional time required to provide an additional set if inked fingerprints.

**National Police Certificate (NPC)**

The general methodology used to determine the cost of providing name checks NPCs is as follows:

* assessing the application;
* processing payment;
* application processed through CrimTrac (the Federal Government agency that enables police agencies to share policing information with one another across Australia’s state and territory borders);
* application processed through Victoria Police’s Law Enforcement Assistance Program; and
* vetting and filing the information received back.

Fixed costs that apply to the name checking process are apportioned against NPC full-fee applicants, NPCs for volunteers and NPCs with fingerprints, based on their projected volume. NPCs for volunteer constitute approximately 25 per cent of all applications for NPCs. Also, a major cost difference between the NPC full-fee and NPC for volunteers applications is the discounted CrimTrac fees provided for volunteers.

**National Police Certificate with Fingerprints**

The fingerprint component includes the operating cost of additionaldigital LiveScan machines due to the increased volume in fingerprint requests resulting from changed legislative requirements for the security industry. The cost of the machines has been amortised and included in the proposed charges for this service, together with associated recurring costs including ongoing LiveScan machine maintenance, CrimTrac fees, National Automated Fingerprint Identification System (NAFIS) licence cost and leasing costs funded by Victoria Police to provide this service.

**Collision or Accident, and Lost, stolen or damaged property**

As the overall costs associated with providing this service have not changed. It is proposed that the unit fee remains the same for these services.

**Managing the delivery of Police Services to**

**Sporting, Entertainment & Other events**

**When organising an event, who is responsible for safety?**

Public safety is a joint responsibility between the event organiser and police:

Police have a responsibility to preserve the peace and detect and prevent offences

The Event Organiser has a responsibility to provide adequate measures to ensure the safety of event participants, spectators and the general public.

**Why does the event organiser have to contribute towards the cost?**

Policing services are directed at the community as a whole to reduce the crime rate, improve safety on the roads and help people feel safe in their homes and neighbourhoods.

Annually, almost 58,000 police hours are allocated to events where police charges apply. These services would otherwise be provided toward the needs of the general community.

Effective management of police resources at specific events therefore requires a balance between community needs and the availability of police resources.

**When do I have to pay for police?**

The event organiser shall be charged for police services allocated to the following types of events when:

* there are admission or participation charges
* it is commercially promoted or sponsored
* the event is commercial in nature

**Under what authority are user charges levied?**

Police charges are levied under the Police Regulation (Fees and Charges) Regulations 2004.

**How can event organisers minimise the need for police services?**

As the event organiser, you should contact police at least 6 months before the event. Police will talk to you about the appropriate level of police service for your event. It will also help you to allow for the cost of these services in your event budget.

Negotiations will focus on the level of police services required at the event - taking into account factors such as the size of the event, the venue, facilities and availability of alcohol.

Often simple but creative measures such as re-routing part of a fun run, using volunteer marshals, barricades, mobile traffic signals or a security company for specific tasks can be very effective solutions and keep the cost of police charges down.

Regardless of the level of police you would prefer, public safety remains a priority at all times. Police will ultimately determine the level and nature of police resources needed for the event.

**Who is responsible for the management of police at events?**

Police are, at all times, responsible for the supervision, direction and other management responsibilities of police resources at events.

**I didn’t ask for police. Do I still have to pay?**

It is the responsibility of police to prevent crime and preserve the peace, including at public events. Where police services are necessary, charges shall be imposed upon the event organiser. These charges are set down in law. You will need to provide for these charges in your event budget.

The police will work with you to determine the optimum level of police resources required for the event.

**Am I able to pay for additional police resources?**

Police will only be allocated to an event where a need for police services is identified. The level of police to be allocated is ultimately determined by Victoria Police. Where an event organiser requests police resources, additional to the level recommended by police (for example to perform security work), police will work cooperatively with the event organiser to examine appropriate alternatives.

**Isn’t this just revenue raising?**

No. Police charges have been developed in line with government guidelines for setting fees and charges, which are directed at cost recoupment. Police do not make a profit from ensuring public safety at events. Police charges are calculated to recover no more than the resourcing costs actually incurred by Victoria Police in supplying the service.

**Are police officers paid the hourly rates I’ve been quoted?**

The hourly rate charged to event organisers comprises salary, oncosts and the GST. Oncosts include salary related items (payroll tax, workcover, superannuation) and other items (accommodation, corporate overheads and capital related costs). For every $1 paid to a police member, an additional 69 cents is incurred by Victoria Police in direct and indirect salary related costs.

**Will the police charges change over the next couple of years?**

User charges for police personnel are well below the actual cost to Victoria Police of providing these services. Annual catch-up increases will occur to bring the charges closer to actual cost recovery. Prior to the introduction of the Police Regulation (Fees and Charges) Regulations 2004, police consulted widely with key stakeholders about the proposed charges.

To minimise the impact of the overall increases on event costs, the increases for police personnel (around 15% per annum) are being phased in from 1 July 2004, 1 July 2005 and 1 July 2006 and are detailed in the Police Regulation (Fees and Charges) Regulations 2004.

The charges for police services other than personnel - such as cars and horses – already reflect the cost of the service, so any changes will only reflect cost movements.

**Is there any opportunity for a Government subsidy?**

The event organiser may be entitled to a Government subsidy where they can demonstrate that the imposition of police charges would threaten the viability of the event, or its staging in Victoria.

**Who shall determine the subsidy?**

The Chief Commissioner, or the appointed delegate, is responsible for determining whether police charges levied under the Police Regulation (Fees and Charges) Regulations 2004 are to be covered by a subsidy, therefore waived.

**How and when should I apply for a waiver to be considered?**

Applications must be made in writing. The event organiser needs to obtain a Waiver Application Form from the police member coordinating the police resources for the event. After discussing the event with the police and obtaining an estimate of the policing costs, the event organiser needs to complete the form and forward it, together with any supporting documentation, to the same police member.

The event organiser should consider whether the imposition of police charges threatens the viability of the event, or its staging in Victoria, prior to completing the Waiver Application Form as:

Applications for waivers will not be considered unless the statement of budgeted income and expenses is completed

All information supplied by event organisers will be treated in strict confidence.

A decision on whether an event is entitled to a waiver normally takes about 4 weeks, if all the required information has been provided to police.

**Do I have to apply for a waiver for the same event each year?**

Yes, waiver determinations are specific to each event. For events that occur annually, a new waiver application needs to be completed each year.

It is anticipated that where a waiver of police services is granted, event organisers must endeavour to take appropriate action to meet their policing costs for future events.

**On what basis will Victoria Police assess waivers?**

When considering and assessing applications for waivers, the Chief Commissioner will rigorously apply the following:

**Threat to an Event’s Viability**

It must be evident that the application of police charges would threaten the viability of the event, or its staging in Victoria. In determining the event’s capacity to pay the charges and remain viable, the Chief Commissioner shall consider:

***1. Financial***

1. Where a private or commercial benefit is obtained through the use of police services (including events from which charities may benefit) has provision been made in the event budget for police charges?
2. Will the event be viable if full police charges are levied? Have the admission and participation fees been structured to incorporate policing costs? Has any Commonwealth, State or Local Government Agency funding been adjusted to provide for policing costs?
3. Has sufficient detail of the event income and costs been provided including a breakdown of the income and all costs, including, for example event management and entertainment expenses? Has all income associated with the conduct of the event been identified?

***2. Negotiation***

1. Whether the event organiser allowed sufficient time for effective negotiation with police about planning the required police service?
2. The degree to which the event organiser, in partnership with Victoria Police, is prepared to modify the event so as to reduce the impact on police resources.

Factors that are within the control of the event organiser:

⮚ Location and type of venue and available facilities;

⮚ Size and type of crowd - target group;

⮚ Availability of alcohol; and

⮚ Duration of event - Hours - Late finish - Multiple day event

Often simple solutions like re-routing an event, limiting alcohol sales, setting an earlier finish time or using a private security company for specific tasks can be very effective solutions.

***3. History***

1. Whether the event organiser has paid promptly for police services previously or has been granted waivers for police charges for prior events.
2. Whether from a policing perspective the event organiser has previously conducted successful events. Has previous police advice been acted upon to minimise the need for police services?

***4. Cyclical***

1. Whether the event is a one-off event or recurring event, and if the latter, how often?

***5. Environmental***

1. Whether there are factors beyond the event contributing to the need for increased police. For example: heightened terrorism threat, increased and unforseen public presence caused by other events.

**Is there a process for reviewing a waiver decision?**

The Event organiser may request a review of the waiver decision only when:

* additional and relevant information can be submitted, and
* on the basis that the event organiser could not reasonably be expected to have known such information prior to the event being held.

Requests for a review must be applied for on a Request for Review form within 14 calendar days of the final date of the event.

**Can I lodge an application for a waiver after the event?**

The acceptance and assessment of applications for waivers after the event has been conducted will be at the discretion of Victoria Police.

1. Automatic indexation of fees and fines fact sheet 2013-14 accessed at www.dtf.vic.gov.au [↑](#footnote-ref-1)
2. 2013-14 Police Output Appropriation, 2013-14 Budget Paper 3, Table 2.14 [↑](#footnote-ref-2)
3. Listed under Regulation 5 of the proposed Regulations [↑](#footnote-ref-3)
4. Listed under Regulation 6 of the proposed Regulations [↑](#footnote-ref-4)
5. Listed under Regulation 7 of the proposed Regulations [↑](#footnote-ref-5)