

Hon Dr Richard Worth

Associate Minister of Justice



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Media Statement

Bill to overhaul regulation of security industry

A Bill which aims to overhaul the regulation of the security industry today passed its first reading in Parliament and was referred to the Justice and Electoral Select Committee.

The Private Security Personnel and Private Investigators Bill, which was introduced by the previous government, seeks to repeal and replace the Private Investigators and Security Guards Act 1974.

Associate Minister of Justice Dr Richard Worth said the existing legislation had become outdated, and reform was needed. "We are conscious of the need to revisit the current regulatory system, particularly in light of major upcoming events like the 2011 Rugby World Cup."

Dr Worth said the Government was keen to encourage detailed scrutiny of the Bill at Select Committee stage as it recognised there was scope for improvement. "We have decided to proceed with this Bill as it is, rather than withdraw, review and redraft it, because it is time to make some real progress on reforming the existing regulatory regime.

"We want to get the Bill before a Select Committee so that it can give detailed consideration to the proposed reforms and so that the public can have its say," he said.

Dr Worth said most members of the security industry were consummate professionals, in whom New Zealanders could happily place their complete trust. "However, regulation has the ability to encourage all members of the industry to meet the high standards that are expected today. It is my intention that this Bill, when finally enacted, will achieve this an efficient and cost-effective way."

The Bill proposes three key changes:

- The obligation to be licensed or hold a certificate of approval will be extended to a wider range of security-related activities. In particular, crowd controllers such as bouncers, and bodyguards and private security staff guarding people in legal custody, would have to be licensed or hold a certificate of approval.
- It will be possible to make regulations requiring private security staff to undertake training.
- A dedicated enforcement body, the Complaints, Investigation and Prosecution Unit, would be created to investigate complaints and improve compliance with the new legislation. There would also be heavier penalties for breaches of the regulatory regime.

Dr Worth said it was expected that a significantly larger number of security staff would have to be licensed under the new legislation if it was enacted in its current form.

“Some of the increase is expected to come from greater compliance, while some of the increase would come from the wider range of security personnel who would be regulated. I am encouraging the Select Committee to look closely at whether the scope of the proposed regulatory system and the associated compliance costs are appropriate,” said Dr Worth.

Dr Worth said he also expected the Select Committee to pay close attention to the specific obligations of private investigators, which the Bill had carried over unchanged from the 1974 Act.

Media contact: Carol Cowie, 04 817 9154, 021 243 9154.

Questions and Answers

Why does the Private Investigators and Security Guards Act 1974 need to be updated?

The Act is outdated. Private security personnel perform a valuable role and the legislation that regulates them needs to ensure that the industry maintains appropriate standards, but without subjecting them to unnecessary compliance costs.

What are the key changes proposed in the Private Security Personnel and Private Investigators Bill?

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staff guarding people in legal custody would have to be licensed or hold a certificate of approval.

- It will be possible to make regulations requiring private security staff to undertake training.
- A dedicated enforcement body, the Complaints, Investigation and Prosecution Unit, will be created to investigate complaints and improve compliance with the new legislation. There will also be heavier penalties for breaches of the regulatory regime.

As with the existing legislation, the Bill does not propose to give licensees and certificate holders any greater powers than those possessed by ordinary members of the public.

What are the proposed increases to penalties?

At present, the maximum fine for someone convicted of unlawfully running a security business without a licence is \$2,000. The maximum penalty will go up to \$40,000 for an individual and \$60,000 for a company.

The maximum fine for a business convicted of unlawfully employing someone without a certificate of approval is currently \$2,000. That will go up to \$20,000.

Other penalties have also increased.

Who will be responsible for administering the regulatory regime?

The Bill proposes that licensing and disciplinary issues will be the responsibility of a one-person Private Security Personnel and Private Investigators Licensing Authority appointed by the Minister responsible for the legislation. The Authority will replace the current Registrar of Private Investigators and Security Guards and would be administratively supported by the Ministry of Justice.

The Authority will be able to refer complaints to the Complaints, Investigation and Prosecution Unit to investigate.

Who will have to undertake mandatory training?

The Bill does not itself make training mandatory for private security personnel. Instead, the Bill allows regulations to be made that require private security personnel to complete training. The Bill also allows different training requirements to be imposed on different classes of private security personnel.

Does the Bill require "in-house" security staff to be licensed?

Generally speaking, the Bill does not require someone employed "in-house" to provide security services directly to their employer to be licensed. The exception is for crowd controllers. "Crowd controllers" who are employed to provide security services directly to their employer, such as a bouncer directly employed by a bar, will have to be licensed under this Bill.

Crowd controllers are employed primarily to screen entry to a place (other than just checking tickets or passes or ensuring an entry fee is paid), keep order amongst patrons, or remove people from premises. They mostly work in places where alcohol is sold and consumed.

Why have the rules for private investigators not changed in this Bill?

The Bill changes the licensing requirements and enforcement procedures in relation to both security personnel and private investigators. However, as introduced, the Bill carries over the provisions in the 1974 Act that control the day-to-day activities and obligations of private investigators.

These provisions will need to be carefully considered by the Select Committee.

In addition, the Law Commission is looking at section 52 of the 1974 Act, which prohibits private investigators from taking a photo or making a voice or visual recording without the subject's prior written consent, in the context of its review of the law of privacy.

*Carol Cowie | Office of Hon Dr Richard Worth
Minister of Internal Affairs | Minister for Land Information | Associate Minister of Justice
Minister Responsible for National Library | Minister Responsible for Archives New Zealand
DDI: (04) 817 9154 | Mobile: 021 243 9154 | Fax: (04) 817 6521
Parliament Buildings | Private Bag 18041 | Wellington 6160 | DDI: (04) 817 9154*