



# ADDRESS TO THE NEW ZEALAND SECURITY ASSOCIATION CONFERENCE

Michael Frampton, Manager – Strategy and Corporate Relations, ETITO

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## Introduction

Good morning. I'm delighted to be here this morning to speak about ETITO's partnership with the security industry. It's a partnership that's manifesting in work to build and maintain a world-class training system for security industry professionals.

I'm particularly pleased for the opportunity to address the New Zealand Security Association's conference on the eve of what is set to be transformative change for your industry. With the imminent passing of the Private Security Personnel and Private Investigators Bill, the scene is now set to determine a set of minimum standards for the industry that create a level playing field from which to advance the agenda of professionalism.

I want to begin by publicly acknowledging and commending the NZSA for the leadership role that it has assumed on behalf of your industry to champion industry excellence.

In particular, I'd like to acknowledge NZSA director and Matrix Security chief executive Scott Carter. Scott sits on ETITO's board of directors, and has contributed significantly to the debate about regulation over his term as chair of NZSA. I'd like to pay tribute to NZSA's outgoing chair - Peter Freeman - for the work that he's done over the last three years and I wish him well for the future.

To your recently appointed Executive Officer - Greg Watts – and your incoming chair, I very much look forward to further growing the relationship of collaboration between our organisations that will be essential for supporting the industry as it responds to the challenges and opportunities of the new environment that is before us.



## Regulation or not, the opportunity is real.


I was asked to speak this morning about *security training to meet the needs of legislation*. Like many of you in the room who have been watching this debate since 2002, I never doubted for a moment that the legislation would be passed in plenty of time for today's conference. Not for a moment did I think that I wouldn't have sufficient time to analyse its intricacies and prepare a detailed address on how we might work together to respond. However, as someone with my own predisposition for managing risk, I decided instead that what I would talk about might more aptly be titled *security industry training, regulation or not*.

Indeed regulation is good news – to good practitioners. It levels the playing field and it rewards those that meet expected standards, while lifting the poor performers. If it's done well, it creates the right incentives so that those that undercut based on dodgy performance do not profit. It is also protection for consumers. These are both good reasons for regulation and they clearly apply to the security industry.

Moreover, ETITO's observations across other regulated sectors in which we work suggest that industry's expectations of itself will continue to rise. What we see delivered today will tomorrow be considered less than acceptable practice – for consumer protection but also for equality between firms that seek to improve and create value. Those firms seeking to improve - regulation or not - will create the path for others to follow.

Despite the imminent good news about the certainty of expectations and levelling of the playing field, my message to you today is that irrespective of how and when the question of detailed regulation is sorted, you belong to an industry well placed to respond to the challenging times in which we live:

- There remains ongoing global uncertainty, with enduring threats of terrorism and conflict. Indeed, New Zealand's 2011 hosting of the Rugby World Cup will bring about a focus on these issues beyond those of you that make it your business to think about these risks.
- Crime continues to grow. 2009 police statistics further evidence a significant rise in violent and anti-social offending. You and your firms are often first on the ground.

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- Natural disasters – very much in the front of our minds right now - present further challenges to the protection of people and their property as we've sadly seen in Canterbury over the last week.

In such challenging and uncertain times, the need for good advice from professionals that are committed to understanding the nature of risk, professionals who are able to deliver the services needed to manage it, and professionals that are very often first on the scene to respond to it, is essential. These are the very principles, practices and workplace realities that underpin the security industry and the role of the security professional.

In other words, the time is right for the value that security industry professionals offer to be demonstrated. The time is right to escape the futility of competition based upon price and build a brand based upon quality and differentiation. And there has never been a better time or an easier time to invest in professional development than now, whether or not the legislation says that you must or whether the detail of regulation is yet defined.

### **Regulation or not, training momentum is growing annually.**

Over the last two years, there has been a notable increase in the number of security staff enrolling in training and - importantly - completing national qualifications. Already in 2010, more than 300 security personnel have completed national qualifications. In 2009, the industry was better off by about 380 completed qualifications.

Rates of participation are also increasing markedly. In the last two months alone, ETITO has seen a very noticeable spike in the numbers of new training agreements for security industry personnel. The signs are very positive that this momentum is set to continue. We are hearing clear messages from employers that they don't want to settle for achieving minimum standards; they want their staff to succeed at ever higher levels, and they are also considering qualifications outside of those that are specifically related to security that will assist with broader business performance. These include qualifications in areas such as customer service and managing people.



Training cultures are developing and growing across security industry firms of all sizes. It's certainly true that workplaces with a training culture already in place are going to be in a stronger position to be prepared for the training and assessment that may be imposed by regulation. There're also be ready to seize upon the competitive advantage of a trained and qualified workforce to offer customers when it comes to bidding for contracts, particularly – but not exclusively – for Rugby World Cup contracts where a high degree of scrutiny in quality delivery is anticipated.

I'd like to take this opportunity to applaud the trainees who have completed – or are working toward completing – national qualifications, and I'd like to applaud their employers for this very demonstrable commitment to professionalisation of the industry.

**Regulation or not, we're working with the industry to build world class competence standards and qualifications.**

As many of you know, ETITO is first and foremost a standards-setting body. What this means is that it's our job to work with the security industry to develop and review national standards of competence and qualifications, and design and oversee the operation of the national system that supports the delivery and quality assurance of training and assessment.

Before I speak about what we're doing in this space, I want to acknowledge the many individuals from firms right across the nation who give generously of their time and expertise to assist us in the development of national standards and qualifications. Your contributions are enormously important and valuable to us.

It's certainly true that the security industry is full of very passionate people, and the debate that takes place about the content of qualifications is always robust. Much of our role is about reconciling competing views from industry experts about just what's important and how things ought to be, and it's fair to say that we don't keep everyone happy all of the time. What I will say is that we care very much about getting it right, because we're committed to building and supporting a world-class national training system for your industry.



Let's now talk about the specifics of what we're working on right now. National qualifications for your industry are undergoing a major review. Significant work has been undertaken on both Level 2 and Level 3/4 qualifications, with recent attention given specifically to the Level 2 qualification. There remains some work to do, but we're confident that the industry is as committed as we are to resolving outstanding matters and getting the qualification registered with urgency. In addition, the review of the Electronic Security qualification at Level 3 is almost completed and work on the Level 4 qualification review is well advanced.

While not driven by impending regulation, our work is factoring in the notion that regulation might embrace the use of national qualifications as the basis for measuring and assuring the competence of the industry. Indeed NZSA and ETITO have made joint representations to the Associate Minister of Justice in this regard.

To this end, it's important that in reviewing standards, we strike a careful balance between the design of standards that build and maintain public confidence in the industry, and the need to ensure that standards are workable and achievable in practice.

In particular, we acknowledge that:

- Standards and qualifications must be responsive to the traditional sources of labour for the security industry.
- They must recognise the casual and transient nature of the workforce in a number of key occupational roles.
- They must be accessible in the workplace, enabling firms to readily train and assess them on-the-job.
- They must be supported by a network of training providers able to deliver courses of training and assessment to them, should firms wish.
- They must not burden firms with significant or unnecessary costs.
- They must be quality assured.



As you might imagine, balancing these factors presents a tricky challenge – one that demands flexibility and fresh thinking. This is precisely the approach we are taking, and again we appreciate the input from many industry participants who continue to assist us as we make our way in this important work.


I should note at this point that some of my staff have in recent weeks met with a range of specialists to discuss matters of relevance to this debate. A recent discussion of note was with Aaron Colthurst, from whom you'll hear next in a panel discussion, where we learned about his views and experience on a range of issues affecting regulation of the security industry. In particular, we were very interested to learn about issues that arose for the Australian security industry around regulation and the Melbourne Commonwealth Games. Clearly there were some experiences that we want to avoid on this side of the Tasman, including that the regulatory bar was set too high for the limited compliance timeframe, resulting in major issues for firms who relied upon transient and casual workers.

ETITO has formed the view that there are now significant time and resource constraints on firms for compliance with minimum standards of competence prior to the Rugby World Cup. However, this is not a reason to settle on a set of standards simply because they are achievable by August 2011 if they do not deliver on longer term strategic considerations for the industry, being the need to build and maintain public confidence in the competence of security industry professionals.

Rather, it is ETITO's view that officials will need to give careful consideration to matters of timeframe in order to provide firms with sufficient time for compliance to a consistent national standard. It is our view that given the long and tortuous journey that has got the industry to this point – with all its twists and near misses – it would be a great shame to make short term decisions that compromised the longer term ambitions of the industry.

**Regulation or not, we're investing in the provision of support to ensure quality achievement of qualifications.**


In addition to our work on standards and qualifications, ETITO has been working on a number of other initiatives to build a more robust training and assessment system.

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- We have run a successful pilot programme to support literacy and numeracy among security trainees. This will now be rolled out across the industry for those who need this additional support to help them better achieve.
  - A new code of practice for workplace assessors has been introduced. It outlines the obligations of assessors in performing this essential role.
  - Assessors will be provided with a comprehensive new guide to assist them to deliver quality assessment.
  - Our assessor website is being upgraded to provide individual log ins and passwords for access to important material for workplace assessment.
  - We have appointed a new training manager dedicated to supporting companies with workplace assessment and moderation.

These are just some of the measures that are part of the ongoing improvements we are focused on – and on which we value your feedback and support. We want to hear directly from you if you have specific questions about your own plans or if there any further steps that you believe that we need to take to ensure the quality and integrity of the system. It is important not only to grow the confidence of your customers and the wider public in the industry, but also for past, current and future security personnel and companies that the training system is robust and has integrity. This is a team game that requires us all running in the same – and in the right – direction.

To improve qualification achievement, it's important for me to signal this morning that the way in which we invest in the industry may change into the future. We are all operating in an era of heightened performance expectations and we must adapt and continue to find solutions to improve the outcomes we seek and the services we deliver. The government has very clear expectations of the tertiary sector, including of what they want to see achieved from industry training. Like the government, ETITO agrees that we all want people completing national qualifications and achieving success at higher levels.

This will require some change. For example, it may mean changes to subsidy arrangements that enable ETITO to provide improved services to firms to support qualification completion. It will likely mean heightened performance expectations on training providers with whom we



contract. It will also likely mean greater emphasis with employers and trainees on achieving credits and qualifications within the expected length of the qualification.

Please accept my personal assurance that decisions have not yet been taken, and ETITO will not be making any unilateral changes without speaking with the industry to collect your views about the things that you care most about.

### **Regulation or not, it's about accountability and sustainability**

One of the big changes in your industry – and in fact across all spheres of life – is the growing demand for accountability and the need for sustainability.


In this new world, accountability is far more than being judged against the promises you make. The real value and benefit of accountability requires you to be proactive. The new accountability is about being able to influence events and outcomes before they happen.

It is often said that “It is not only what we do, but also what we *do not* do, for which we are accountable.”

That has never been truer. Professional development– regardless of regulation – is a clear demonstration of this new view of accountability. It is just part of what can help strengthen your reputation and your competitiveness, spark innovation, improve the quality of services you provide and increase the responsiveness to the needs of your clients and staff.

Equally in this new world, it's about sustainability. We have moved beyond the days of understanding sustainability to be all about whether we recycle paper or have a worm farm out the back. Sustainable business is about looking at every aspect of how we operate.

It's no secret that chunks of the security industry have traditionally been characterised by a number of factors considered unsustainable in many other industries. Downward pressure on margins resulting from strategies of price leadership in which cents have made the difference between winning and losing contracts, poor investment in training, and behaviours such as poaching of trained staff from competitor firms.



Competing on price alone leads to disloyal customers, low margins and many sleepless nights for business managers and owners. Price competition can work. But once you start leading with price, you better be prepared to be the lowest cost service and offer the lowest prices in the market - bar none.

In a supply-demand economy, the source of sustainable growth lies in changing patterns of demand. If we can work to improve the perceptions of value that customers ascribe to services received from security industry professionals, opportunities will emerge in which customers are prepared to pay [and pay more] for services. Businesses can not only prosper in the short term but invest for sustainability in the long term.

But this requires a collective step. It requires a change in the behaviour of the industry. It requires an industry to behave as an industry focused on working together to lift the bar.

Making choices that encourage a race to the top in terms of quality service, brand building and differentiation, can mean a shift to healthy competition that is based on more than price alone – it is based on true value.

### **Regulation or not, it's about now**

There is no better time than now. If you haven't made a commitment to professional development and training within your firm, it might be that you're thinking about waiting for regulation to tell you how and when to act. For many of the reasons that I have outlined today, I encourage you to reconsider your approach and be proactive. Those who are already in the game are best placed to be ahead of it and ready to embrace new rules should they be introduced. As it is in the wider business context, delay may mean a missed opportunity and the prospect of being left behind.

Please use this conference to consider where training and professional development sits on your agenda. Please visit us at our stand in the exhibition space. Ross Clarke, our Industry Training Manager for security, is here and ready to discuss how we can assist and what might best suit your company. We also have number of our other staff here at the conference. They work with security companies each week and are familiar with the



industry's challenges – but importantly also how training solutions can work in a variety of circumstances to support individual and business success.

As I finish, I want to leave you with a thought. And it's this. While a profession is representative of an occupational group, professionalism is reflected in the behaviour of individuals.

Right now, there is an opportunity to make some choices about investing in professional development using national qualifications, and avail yourself of a significant training and assessment infrastructure that exists just for you. Right now, there is an opportunity to build a brand that enables you to compete not on price but on service. Right now, in a time of uncertainty and risk, there is an opportunity to educate the world about the value that you deliver in your role as security professionals.

It is not all about what you have to do. It is about what you choose to do because that is what it means to be a professional.

Thank you for the opportunity to speak with you this morning. I wish you well with the rest of the conference and on your professional development journey.

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