



10 July 2015

Forest Owners Association response to Fire Services Review Discussion Document

This paper is the Forest Owners Association response to the DIA Fire Services Review Discussion Document. This paper needs to be read in conjunction with the discussion document.

Background;

The Forest Owners Association (FOA) represents over 200 members who manage 1.2 million hectares of production forest estate across New Zealand.

The FOA has a long association with rural fire management as fire is a key risk to the business of growing a commercial tree crop. Fire is also a recognised forest management tool.

Most major forest owners are well integrated into their regions Rural Fire Authorities and many FOA members contribute directly to Fire Authorities through the provision of financial, governance, equipment and staff resources.

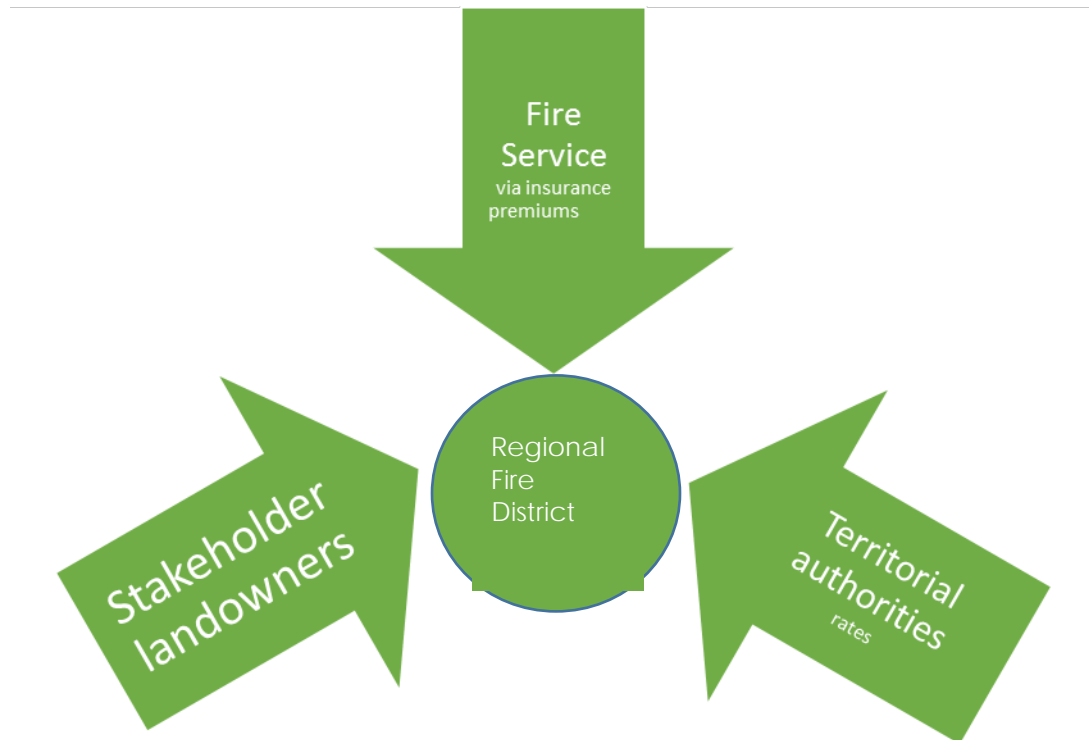
The FOA has been an active participant in past Fire Service and Rural Fire Reviews. Our organisation has consistently maintained the following principals in our approach to Rural Fire organisation in New Zealand and our response to this discussion paper is consistent with these principals;

FOA would like to see legislative review and an outcome that delivers;

1. Meaningful stakeholder involvement in regional rural fire governance from regional stakeholders.
2. Continued stakeholder involvement at a national level from national stakeholders.
3. Direct link between regional governance and regional funding. See funding diagram below.
4. Equitable stakeholder funding contributions based on risk of ignition.
5. Equitable distribution of funds and effort between urban and rural fire based on risk.

6. Ability for land managers to focus on vegetation fires only (forest owners don't want to go to Motor Vehicle Accidents – MVAs)
7. Equipment and training standards for vegetation fire needs to be fit for purpose and not inappropriately costly and / or onerous for land managers.
8. Ability of rural landowners to manage regional and local implementation of the 4r's is critical to the local use of fire as a land management tool whilst managing risk.
9. Forestry Industry investment in people and plant should be reflected in stakeholder funding requirements for those organisations that contribute.
10. Current Forest & Rural Fire's Act needs fixing;
 - Inequitable funding – cost recovery disadvantages forest owners.
 - ERFD process needs to be completed across New Zealand.
 - Mandate for non-fire activities.
11. FOA supports the Fire Services Vision 2020. Integrated and well-functioning emergency services (etc)
 - FOA's focus and interest is vegetation fires.
 - Management of fire is one of a number of significant natural hazard risks to our business.
12. Research and Development for vegetation fires promoting efficient and safe delivery of the 4R's is important.
13. There is a fundamental difference between urban and rural fire. Rural fire is used extensively as a land management tool evidenced by the significant number of fire permits issued each year. People who use fire need to be integrated into its management and control.
14. The role of volunteer firefighters and industry brigades is critical in many areas supplying people, experience and equipment;
 - Rural volunteers are often a different breed to urban volunteers.
 - A separate identity and culture exists between the two groups.

15. Funding of rural fire should reflect input from 3 key stakeholder groups;



- In a Regional ERFD structure there should be no taxation without representation and vice-versa (buy a seat at the governance table or governance without contribution). The NZFS, Territorial Authorities and landowners / stakeholders should jointly share governance, management and funding responsibilities.
 - A direct link between Territorial Authority responsibility for regional delivery of the 4R's and funding ERFD's as a delivery agent is essential to establish a durable outcome.
 - Local money spent locally with national funding to supplement delivery of the 4 Rs.
 - The three stakeholder groups effectively buy a seat at the governance table through their contribution to the ERFD.
 - Where rural fire parties are delivering health and MVA rescue services a funding contribution should be made from Government health organisations.
16. A person responsible for fire pays for fire i.e. same as for a car accident. The ability to implement punitive prevention measures would be useful.
17. Urban and rural separation at the governance and management level is required to reflect the different stakeholders and the differences between urban and rural fire

delivery of the 4 Rs. The Urban fire service is a significant and important contributor to rural fire but should not dominate governance and management.

18. Good progress has been achieved to build the status of rural fire at a national fire governance level by introducing the Rural Fire Committee of the Commission (RFCC) to the NZFS Commission. This must be continued and built upon.
19. Forest fire risk should be recognised for what it is;
 - Low risk and incidence of ignition
 - Potential high consequence in terms of economic and social loss.
20. New Zealand needs right scale ERFDs
 - Scale of operations to support permanent staff resources and systems.
 - Span of control needs to reflect basic geographic and transport limitations.
 - ERFD's should be sized to reflect risk and stakeholder needs.
 - ERFD boundaries are not necessarily the NZFS regional boundaries. The differences in rural and urban delivery of the 4 R's need to be respected.
21. Recognition that Rural fire has been neglected in many parts of New Zealand for some time by both the Territorial Authority responsible and the NZFS who have focused principally on urban fire. Rural fire in these areas needs a bigger share of Territorial Authority and NZFS funding to achieve training and equipment standards that are appropriate for the rural vegetation fire environment. These agencies should take responsibility for rectifying historical underinvestment when merging into ERFD's.
22. FOA would like to see underperforming and or sub scale RFDs merged into ERFDs to complete the process that is currently underway. This would naturally conclude with around 15 (plus or minus) ERFD's across New Zealand.

FOA does not want to see an outcome that leads to;

- a. FOA does not want to see Section 43 p.45 of F & RF Act retained. This supports Forest levies, that are sector targeted resulting in inequitable funding outcomes that do not reflect the risk profile of the Forest Industry.
- b. FOA does not want a Wellington centric, multi-layer bureaucratic fire service controlling rural fire at a regional level. This would be a risk management disaster.
- c. FOA does not want unions involved in rural fire as the current flexible arrangements are required to be maintained to support and retain volunteers. The Forest Industry and Rural Fire Industry does not have a union culture and this would not be cost efficient or beneficial.

- d. FOA does not want a continued focus by the Fire Service on urban at expense of rural which has been a feature of the past. It is essential to grow the recent good progress in lifting the profile and resources allocated to rural fire within the national fire service i.e. RFCC.
- e. FOA does not want to see a standing army of NZFS paid rural fire fighters and equipment, probably unionised that rural stakeholders are forced to pay for.
- f. FOA does not want to see funding options dismissed or constrained by past practice or perceptions of difficulty in implementation.
- g. It is essential that the outcome of the review does not lose;
 - Fire's use as a land management tool managed in part by landowners who use it.
 - Volunteer / community commitment and goodwill.
 - Industry and volunteer experience.

FOA supports the ERFD concept and does not want to see the substantial progress achieved in efficient delivery of the 4 R's that has been made by a number of best practice ERFD's lost or eroded. Considering the comments listed above outlining what principles it does and does not wish to see delivered by the legislative review, FOA have chosen not to support a particular Option 1-3 as outlined in the document but rather have outlined below (Option Good) which is how we think these principles can be best applied to deliver the best outcome for rural fire management in New Zealand. We note that this option can be created by modification of either option 2 outlined in the DIA discussion document.

Option – Good

National Board of Governance Rural Fire Representation. Rural stakeholder committee that feeds into a National Board. i.e. RFCC

NZ Fire Services management at national level - Separate national rural fire manager on equal footing with urban fire manager.
- Adequate national resource allocated to the national rural fire manager to undertake; standards development, auditing, national data collection and management, funding as a key stakeholder.

Regional Fire Districts Rural Fire Regions
- About 15 (plus or minus) ERFD regions for NZ is the right number
- Boundaries not necessarily the same as urban regions

Regional Fire District Governance - Maintain rural committees
- Add urban committee if needed
- Urban and Rural committees linked – but not 1 committee
- Stakeholder representation
- Appoints Regional CFO
- Committee receives funding from

- o National office
- o Territorial authorities
- o Stakeholders land-based equitable funding

and uses funding to run district and deliver 4Rs

Nat Office / TA's / Stakeholders – must fund new RFD's

supported by new legislation

- Committee has responsibility for organising funding to meet community needs around delivery of 4 R's.
- Stakeholder / landowner contribution in cash, in kind, or both

These principals are applied below to answer the specific questions in the discussion document.

1. Are there particular areas of the fire services that are working well that you would like to tell the review about?

FOA considers that the formation of ERFDs works well and draws in all primary stakeholders of a rural fire district. The increased scale of ERFDs allows for a management layer that can efficiently facilitate people and resources to meet high standards including people and resources that are volunteers and or are provided by stakeholders. The net result is; better trained people, better and more modern capital resources, efficiencies of scale and collaboration, higher health and safety standards and an efficient network that provides rural fire risk management for a low cost.

2. Do you agree that these are the problems and the consequences that the review needs to address?

Yes

- In many districts, notably under poor governance from territorial authorities that have little interest in rural fire, there is a legacy of very old and non-compliant equipment, volunteer training shortfalls, poor volunteer retention and an inconsistent application of the 4 R's. Safety and rural fire risk management is below community and stakeholder expectations;
- There is inequity of funding by land use, as well as old and outdated legislation.
- Rural fire forces are not provided adequate legal protection for other emergency management tasks i.e. medical.

3. What do you see as the advantages and disadvantages of *Option 1: enhanced status quo* from your perspective?

The *enhanced status quo* is an acceptable option but is still sub-optimal. Within Option 1, there is not a direct link between rural fire districts and the Fire Services Commission which does not provide a solid and consistent legislative base from which rural fire districts can operate and be improved to meet community expectations.

It will be more difficult to address inconsistency in delivery of the 4 R's and address equitable funding issues across New Zealand unless central co-ordination and a degree of control by the Fire Services Commission can be exercised.

An essential component of any option selected is that the collaborative stakeholder driven approach to rural fire management be maintained. This will provide for a more engaged rural society with regards to rural fire which will lead to less duplication of resources and efficient delivery of services.

4. What do you see as the advantages and disadvantages of *Option 2: Coordinated service delivery* from your perspective?

Option 2 can be modified to deliver what FOA considers to be best practice as outlined in Option Good. This option can retain all the advantages of new best practice enlarged RFDs to achieve local engagement and collaboration from stakeholders to achieve a high standard of rural fire management (4 Rs) at the least cost to New Zealand. This concept has been proven by a number of the best practice ERFDs such as Otago, Nelson, Marlborough etc.

The application of this option will need to legislate the shared responsibility for ERFDs to be shared with the Fire Services Commission (instead of solely TAs). This is required to ensure longevity of the model if problems arise at a TA level. It also provides the necessary legal framework to amalgamate small size (below viable scale) RFDs and to bring underperforming RFDs up to community expectations.

This model also solidifies the arrangement between the Fire Services Commission (Fire Service), TA's and local stakeholders to better access the national resources of the Fire Services to achieve improved service whilst retaining local engagement and ownership by TA's and stakeholders such as FOA.

FOA highlights the significant number (thousands) of fire permits issued annually by RFDs. Fire's use as a land management tool is significant and requires not only well-organised ERFDs, but a high level of stakeholder engagement to be managed efficiently and at a lowest cost within New Zealand. If this aspect is insufficiently recognised there are some potentially serious consequences for rural landowners' assets and an erosion of capacity.

5. What do you see as the advantages and disadvantages of *Option 3: One national service* from your perspective?

Option 3; the *One National Service* model is not the preferred option. Our interpretation of this model is that it will lead to many of the outcomes we do not want to see (as outlined above) occur from the legislative review.

FOA has consistently objected to this Wellington centric one national fire service concept due to the differences in risk management between urban and rural fire and due to the differences in operating culture in many parts of New Zealand and the need for local involvement in rural fire.

Indeed, it is concerning that, despite the number of times this model has been prepared and rejected, it continues to be presented as a credible option. There is no doubt that urban and rural fire need to work well together and share many resources to be efficient and to achieve the Fire Services Vision 20 / 20. However, this can be achieved in Option Good which we see as a modification of Option 2. A single Wellington centric fire service will not achieve this at the lowest cost to New Zealand and will create a bureaucracy that will dis-enfranchise many local stakeholders.

Although we note recent iterations of Option 3 include a strong component of regional governance we do not see this as being realistically achievable given the strength, culture and unionisation of the current Fire Service. Rather than achieving the desired outcomes a slow moving take over from national fire service headquarters will occur disempowering the regional committees to a great extent. It is highly likely that the regional committees will be dominated by fire service and union representation that will mirror national headquarters. These committees will quickly resemble a primary school board of trustees that has a very limited governance mandate with the majority of decisions dominated by education department or union nationally driven decisions and agendas.

FOA is concerned that if Option 3 is chosen it will simply lead to an Urban Fire Service driven takeover of rural fire undermining the progress made in best practice ERFD's. Many rural fire stakeholders and rural volunteers will withdraw from ERFD networks. This warning has been registered many times previously. Such a withdrawal will increase the national fire risk and require the Fire Service to create a standing army of rural fire resource that will duplicate resources already present in society and industry. Like the Police or Military many stakeholders will see fire as the Fire Services sole responsibility and not participate or engage at the level required to achieve efficient outcomes. New Zealand and the FOA does not need to pay twice when an efficient rural fire outcome can be achieved through Option Good.

Option 3 has been discussed before with considerable stakeholder objection across New Zealand. FOA feels that legislative reform of Fire Services Acts is essential and if Option 3 is chosen these objections will cause the legislative process to stall and ultimately fail as has occurred in previous reviews.

6. Which governance and support option do you prefer?

FOA supports Option Good. Option Good brings in much needed standardisation and co-ordination across rural fire, while still meeting the unique needs of rural communities. Option Good will not be as difficult to implement as Option 3 nor be as vigorously opposed because stakeholders will be engaged in governance. Option Good has the benefits of still involving local funding, but combined with the support of national co-ordination and Fire Services Commission governance.

It should be noted that Option Good will require increased resourcing to be made available to rural fire from the national fire service in order for the programme to be implemented and supported effectively.

7. Do you have ideas what the new organisations could be called:

This should be considered after the outcome is known. Refer paragraph 8 for comments on titles/roles.

8. How do you think the governance and support options should be implemented?

In order for Option Good to work effectively, the completion of the ERFD process will be required. Under all options there will need to be the roles of Chief Executive and Urban National Commander E within the fire services, and it is recommended that the National Rural Fire Officer title is changed to reflect equality of position with the Urban National Commander. These roles should be separate. Additionally, there will be a need for increased resourcing available centrally to complete rural fire related duties such as (and likely more): health and safety monitoring, auditing, claim processing, national data collection implementation of the 4Rs, risk management and the management of capital flow. In order to make rural fire management effective, a certain amount of analysis and advice is likely to be required either in the short or long term to establish baselines or new policies and to assist ERFDs to establish. Having two or more dedicated relationship or portfolio managers looking after the ERFDs (this may involve a South and North Island division) and their central requirements could be effective.

9. What do you see as the advantages and disadvantages of *Funding Option 1: Insurance (enhanced status quo)* from your perspective?

Funding Option 1 is not an effective or fair model. It would lack central governance from the Fire Services Commission and is rewards-based. While a rewards-based system acknowledges the proactive, it does little to assist those areas which need help. Additionally, this model involves very little in the way of legislation reform or review and is basically the *status quo*.

The insurance fire service funding model plus local government contributions plus stakeholder contributions model is accepted. The main issue is that currently forestry is targeted as the only stakeholder that can be levied. This is not fair and is not in line with the forest industry risk profile.

10. What do you see as the advantages and disadvantages of *Funding Option 2: Mixed funding model* from your perspective?

The funding model outlined in Option Good provides the best combination for meeting multiple objectives. Not only does it still involve the local community in governance, it also brings in national oversight and co-ordination in a partnership arrangement. There is an opportunity to introduce an equitable funding model based on risk across all rural land owners, not just targeting forestry for levies as per the current legislation.

There is also an opportunity for more Fire Service Commission resources to be channelled into rural fire to assist the below standard RFDs that have been, let down over time by insufficient TA governance and funding.

11. Which funding option do you prefer?

As stated above, the funding model outlined in Option "Good" provides the best combination for meeting multiple objectives.

12. How do you think the funding options could be implemented?

Funding Option 1 involves very little change. With regards to Funding Option 2, there would need to be consideration given to the way local funding is collected and those land uses that would benefit from better ERFD governance. With regard to centrally-provided funding, it is likely that for a few years priority funding may go to those communities (or ERFDs) that lack appropriate equipment so as to ensure that all communities will have consistent access to services. After this there should be a fair and economic budget allocated to communities (or ERFDs), with the opportunity to apply for grants should there be a programme that a particular area would like to implement. Governance duties should be completed centrally in the form of

effective accounting audits as well as advice (if required) and identifying those communities (or ERFDs) that may need assistance.

13. Are there any other comments that you would like to make regarding the consequences and options laid out in this document?

It is important for the rural communities to feel as though they are supported and receiving the same consideration as those people living in urban areas. However, it is also important that those communities have some control over their services. The FOA considers that Option Good minimises the risk of rural isolation to a much better degree than Options 1 or 3, while enabling national assistance to ensure consistency.

14. With which groups do you identify?

Rural fire services

Local authority

Land owner – We are an Industry Association representing Forest Owners.



Grant Dodson

Chair Fire Committee