

Chairperson and Committee Members

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

28 MARCH 2013

Meeting Status: **Public**

Purpose of Report: For Decision

ENLARGED RURAL FIRE AUTHORITY PROPOSAL

PURPOSE OF REPORT

- 1 To seek Council's approval to proceed to the next step in the proposal for an amalgamation of the forest and rural fire administration for the Wellington region (excluding the Wairarapa).

SIGNIFICANCE OF DECISION

- 2 Council's Significance Policy will not be triggered if Council adopts the proposal to amalgamate services into an Enlarged Rural Fire District as provided for under the Forest and Rural Fires Act 1977.

BACKGROUND

Rural Fire Authorities

- 3 Rural Fire Authorities manage Rural Fire Districts. The National Rural Fire Authority (NRFA), defines most areas for rural fire authorities. It can include or exclude areas, form new authorities and abolish any rural fire district. Only the Department of Conservation (DoC) and the Ministry of Defence areas are not set by the NRFA.
- 4 Within the Kāpiti Coast District are areas owned and/or managed by the Department of Conservation (DoC). DoC is the Rural Fire Authority (RFA), for all state areas as defined by the Forest and Rural Fires Act 1977 (the Act). State areas include national parks and a 1km contiguous fire safety margin around the perimeter of most of their parks. As part of the requirements of the Act, DoC also needs to liaise and co-operate with other fire authorities and rural fire organisations to provide an effective rural fire fighting force in the area.
- 5 The rural areas not managed by DoC are the responsibility of the Kāpiti Coast District Council as the territory's RFA. There are also areas within the urban environment that are designated as rural for the purposes of rural fire. These areas are set in agreement between the New Zealand Fire Service and the Principal Rural Fire Officer. These rural designations cover areas that are in general are not provided with easy access to fire hydrants or roads suitable for urban fire appliances. Large open-space areas such as the New Zealand Transport Authority block by Te Ra School and Leinster Ave have been included in the areas designated as rural.
- 6 The different zones of responsibility can be seen in Attachment One – Urban, Rural DoC Fire Responsibility Zones map. Understanding who is responsible for a fire callout or permit issue requires checking with this map to ensure that the appropriate party is taking action.

- 7 The responsibilities for all RFAs are outlined in the Act. As well as DoC and this Council, there are five other RFAs, in the Wellington region. These are:
 - Upper Hutt City Council;
 - Hutt City Council;
 - Wellington City Council;
 - Porirua City Council; and
 - Wairarapa Enlarged Rural Fire District.
- 8 The Wairarapa Enlarged Rural Fire District is a body corporate managed by a Board. This RFA provides rural fire management and suppression for all three Wairarapa territorial authorities and the Board is responsible for the governance .
- 9 Each RFA has the same key responsibilities. These are:
 - promote and carry out fire control measures;
 - keep and maintain a Fire Plan which should provide detail on how the RFA will meet its obligations under the 4R's – reduction, readiness, response and recovery; and
 - comply with the requirements and Minimum Standards set by the National Rural Fire Authority.

RFA Boundaries

- 10 The boundary of an RFA is gazetted by the National Rural Fire Authority (NRFA). The default position for rural areas not under DoC control is that the local council is the RFA. Under the Act, another option for management of rural fire responsibilities exists being the creation of an Enlarged Rural Fire District managed by a single Rural Fire Authority. An Enlarged Rural Fire District takes over the responsibility of adjacent Territorial Authorities and DOC lands and has already been established in the Wairarapa.
- 11 The establishment of Enlarged Rural Fire Authorities within New Zealand was identified as a strategic goal for the NRFA in their 2009 – 2014 Strategic Plan. The goal of this strategy is to improve efficiency and effectiveness of the forest and rural fire sector through greater professionalism and better resource management by Rural Fire Authorities. Eight Enlarged Rural Fire Authorities have now been established: West Coast, South Canterbury, Southern, Wairarapa, Waimea, Northern, Marlborough-Kaikoura and Auckland. Taranaki is planned to be gazetted by 1 July 2013.
- 12 Creating an Enlarged Rural Fire District for the Wellington region was first discussed in December 2009. Progress was delayed until the changes to Civil Defence and Emergency Management was reviewed and finalised. Since the Wairarapa had already established an Enlarged Rural Fire District they were excluded from these discussions.
- 13 Discussions in May 2012 with the New Zealand Fire Service Commission, NRFA staff, each affected Council's Chief Executive plus the majority of their Mayors were held to re-engage on the establishment of a second Enlarged Rural Fire District covering the remaining areas in the Wellington region.

- 14 In June 2012 the Wellington region's Councils' Chief Executive Group approved in principle, subject to a business case, the merger of governance and administration of forest and rural fire for the Wellington region, excluding the Wairarapa area.
- 15 A Stakeholder Consultation Group, representing all the stakeholders of rural fire, was established to gather and prepare information to support or reject the concept of an Enlarged Rural Fire Authority. This workgroup consisted of representatives of Upper Hutt, Hutt, Wellington and Porirua City Councils, Kāpiti Coast District Council, Greater Wellington Regional Council (as a forestry owner), DoC, the National Rural Fire Authority, the National Fire Service and the NZ Forest Owners Association.
- 16 A Business Case was developed by the Stakeholder Consultation Group. The Wellington region's Chief Executives Group reviewed and approved the business case for consideration by the relevant Councils, the Department of Conservation Conservator for the Wellington Hawkes Bay Conservancy, and the National Rural Fire Officer.
- 17 Approval by all the current affected Rural Fire Authorities and other identified stakeholders is required for the proposal to establish a Wellington Rural Fire Authority to proceed.

CONSIDERATIONS

Business Case

- 18 The Business Case outlines a proposal for the establishment of a Wellington Enlarged Rural Fire District (Attachment Two of this report). The business case supports the strategic goals of the New Zealand Fire Service Commission and the expectations of Government while protecting the interests of Council and the community. The key goals of their strategy are to:
 - Have a regional forest and rural fire management structure based on forest and rural fire hazardscape principles;
 - Ensure the equity and fairness of stakeholder responsibilities;
 - Improve the governance and management practices of the sector; and
 - Improve the operational effectiveness of the sector.
- 19 It is anticipated that the proposed change would also address the following challenges and risks faced by Territorial Authorities as Rural Fire Authorities in the Wellington region:
 - simplify accountabilities and responsibilities by removing the boundaries between RFAs, in particular the boundary between DoC and TLAs;
 - remove duplication of administration functions such that there will be only one Rural Fire Plan, one training programme for volunteer brigades and one permitting system for rural areas;
 - provide improvements in public communication and standardise rural fire permitting processes;
 - improve the capability and capacity of the rural fire authorities by pooling and sharing resources and expertise;
 - increase the safety of the rural communities by providing better leadership and advice to the land owners and the public, and creating a greater awareness of fire threats and risks to the region;

- improve the ability of the fire authorities to comply with statutory obligations and meet the increasing performance standards being set by the NRFA; and
- enhance the integration of fire management principles, policies, plans and practices for fire management and administration across different land uses and owners of rural landscape.

20 The Business Case evaluates three different models for establishing an Enlarged Rural Fire District. These are centralised, hybrid and evolved. Each is compared against the status quo. The models are based on the level of centralisation and asset ownership that could result from creating an Enlarged Rural Fire District. Section 5.1 of the business plan outlines these models as in the table below:

ERFD model	Description	Advantages	Disadvantages
Centralised	All functions delivered by the ERFD ERFD employs all staff, and owns all equipment and resources	Transparent funding, and accountabilities Very stable and robust once fully established	Requires large cash budget, up front Stakeholders perceive loss of control Significant change management implications
Hybrid	Governance, strategic management and a large proportion of administration functions delivered by the ERFD ERFD employs some staff, but does not own equipment and resources	Mostly transparent funding, and accountabilities Fewer change management implications Requires modest cash budget Stakeholders retain control at the coalface	Some management overhead involved in managing in kind contributions
Devolved	Only governance and strategic management functions are centralised Staff, equipment and resources provided in kind by the stakeholders	Few change management implications Requires very small cash budget Stakeholders retain control at the coalface	Funding and accountabilities not transparent Large management overhead involved in managing in kind contributions

21 The business case recommends the setting up of the hybrid model. This means that the administration, communication, education, and training functions plus management of fire responses will be carried out by the proposed Enlarged Rural Fire Authority. The fire-fighting response capability within each District and City will be maintained using current arrangements, with the exception that no Council will have a Principle Rural Fire Officer or Deputy Rural Fire Officers.

22 The Te Horo Volunteer Rural Fire Force will continue to provide rural fire response in Kapiti and the assets used by the Te Horo Volunteer Rural Fire Force would continue to be owned and maintained by Council. Further impacts on Te Horo are discussed in section 41.

23 The roles and responsibilities of various parties for the first three years using the hybrid model are clarified on pages 21 and 22 of the business case.

Change Process

24 Should Council accept the recommendations to proceed to the next stage and all the other Rural Fire Authorities affected by this decision provide their support to the proposal, then a proposal based on the hybrid model would be forwarded to the NRFA.

- 25 The proposal would also be provided to the public through the District's Libraries and posted on Council's web site.
- 26 The NRFA would then follow the process stipulated in the Forest and Rural Fires Act. This mandates that notifications and consultation with the public will be carried out by the National Rural Fire Authority. Any affected party has at least one month to state in writing any objections or support for the proposal and can be asked to be heard by the NRFA.
- 27 The NRFA would publish a notice in the NZ Gazette regarding their decision, with a date for implementation. This notice would simultaneously:
 - create the new rural fire district;
 - disestablish the former rural fire districts; and
 - establish the new rural fire authority.
- 28 An arrangement would be put in place to ensure a smooth transition to the new authority. It is proposed that the transition be undertaken in the 2013 calendar year with the new structure effective from 1 October 2013 to meet the start of the next fire season.

Governance

- 29 If the new Enlarged Rural Fire District is gazetted by the NRFA, it would be a body corporate governed by an Enlarged Rural Fire Authority. This would be a body corporate established under the Forest and Rural Fires Act.
- 30 It is proposed that this body corporate is governed by a Board with seven members. The Business Case proposes that the Board would consist of three members to represent the councils, one representative for each of DoC and the NZ Fire Service, a representative from the forestry owners plus one independent member.
- 31 The initial board would be selected by the Chief Executives of the five funding Councils and DoC. Council representatives would be selected from either current Chief Executives or their direct reports. They would work with the NZ Fire Service regarding their representative as well as the forestry association.
- 32 Having more than three representatives from council's on the board would change its status to a Council Controlled Organisation as well as making the board unwieldy due to its size. Being a Council Controlled Organisation adds more financial costs regarding auditing and reporting than is necessary. The ideal size for a board of directors is between 5 and 8 members. After selecting members from the TLAs, DoC, NZ Fire Service and the Forestry Association, a recognised process would be undertaken to identify any skill gaps in the board. An independent member would then be appointed by the Board to fill any skill gap identified.
- 33 The Board would be responsible for:
 - determining the strategic direction for the Fire Authority and establishing the framework within which the Principle Rural Fire Officer (PRFO) must act;
 - ensuring that the fire authority is adequately funded and resourced;
 - overseeing the PRFO's financial and service delivery performance; and

- reporting to the Fire Authority stakeholders (i.e. the Councils, Department of Conservation and Forest Owners) as agreed with them.
- 34 As with any organisation being provided funding from Council, a formal reporting process would be established. It is expected that the Chairperson of the board would report at least annually on how the organisation is achieving its targets to each Council.
- 35 From the time that such a body is gazetted (proposed for October 2013), the Kāpiti Coast District Council would cease to be the Rural Fire Authority for the Kāpiti Coast District. While Council would continue to support the Te Horo Volunteer Rural Fire Force it would not have the statutory responsibilities for Rural Fire as it currently has under the Act.

Permit Issues

- 36 Council issued 189 rural fire permits, 40 beach permits and 33 urban permits between 1 July 2012 and 28 Feb 2013. Requests are received by Customer Services and entered into the Service Request System. The Council would remain responsible for permits issued in urban areas under the Fire Prevention Bylaw 2010 and beaches under the Beach Bylaw 2009. The Business Case states that Councils will remain responsible for permits issued under any of its bylaws (Fire Permitting, pg 22).
- 37 Currently permits for residents within the DoC area, including the 1km wide buffer, are issued by DoC and permits for remaining rural areas are issued by Council. Under the proposed arrangements, all permits for rural fires would be issued by the Enlarged Rural Fire Authority.
- 38 The process for issuing permits in rural areas currently managed by Council would be similar as far as an applicant is concerned. If an applicant approached Council for a permit, either by phone or by calling into a service centre, the request would continue to be entered into the Council's Service Request System. This request would then be electronically passed to a Rural Fire Officer from the Enlarged Rural Fire Authority.
- 39 The Rural Fire Officer would then contact the person and carry out a site inspection and issue the permit if appropriate. The change to the existing process is that a Rural Fire Officer from the Enlarged Rural Fire Authority would liaise, visit if necessary and issue the permit rather than a Rural Fire Officer employed by Council.
- 40 A site visit may be required by the Rural Fire Officer to inspect the fire site and its surrounds and to validate access to the site required for a response if a permitted fire got out of control.

Te Horo Brigade

- 41 Council would continue to provide financial support to the Te Horo Volunteer Fire Force to meet their operational costs. This \$13,000 per year contribution is considered as an 'in-kind' contribution to the Enlarged Rural Fire Authority.
- 42 Council would also maintain the Council owned assets they use (vehicles, pumps and hoses). This cost is not considered in-kind as each TLA is expected to provide a response capability to the Enlarged Rural Fire Authority.
- 43 The arrangements and locations of the current volunteer fire fighting resources are assumed to be correct as they are meeting current needs. Rationalisation of

equipment between the fire forces would be considered in the longer term. As an example, Upper Hutt requires a replacement for their water tanker, but this could be purchased by the Enlarged Rural Fire Authority and held as a centralised resource available to others in the region.

- 44 The intent is that the Enlarged Rural Fire Authority would ensure the ongoing viability and sustainability of current volunteer forces through better training and support. In the longer term decisions on response capability and allocation of resources would be for the Board to consider as the governing body. Any such changes would need stakeholders, particularly the councils and DoC as the funding agencies, to be in agreement.
- 45 The Te Horo Volunteer Fire Force are concerned over assets being stripped from their brigade and reallocated to other less supported brigades in the Enlarged Rural Fire District. However, Council owns the assets and provides the Board with the annual funding that the Enlarged Rural Fire Authority requires to operate. Therefore Council maintains considerable ability to manage any proposed future changes even if it does not have direct representation on the Board. The business cases suggests that no major changes are considered until two years after the new Enlarged Rural Fire Authority is formed.
- 46 The Principle Rural Fire Officer would be responsible for the provision of support to the volunteer brigades. Te Horo questioned the feedback loop that would be available to volunteer brigades within this process. While Council still provides funding support to the brigade it has been suggested to them that they could report to the Council's ECD committee separately from the Enlarged Rural Fire Authority. In time if confidence in the new structure grows this could be reviewed.
- 47 Another concern from Te Horo regards the number of Rural Fire Officers within the structure. While the allocation of three full time Rural Fire Officers and one half-time administer reflects the expected efficiency gains, within the proposal is a budget for an additional 0.5 FTE for year 1. This is to provide extra support during the establishment period. Te Horo suggested that there is a review after 6 months to validate that the support being provided to the volunteer brigades is adequate and this would be included in the process.
- 48 It is recommended that any substantial change to the delivery of rural fire response is considered significant by the Enlarged Rural Fire Authority, and that they must consult with its stakeholders before any such decision is made.

Financial Considerations

- 49 Council's current annual budget as the Rural Fire Authority is \$102,000 per annum. For the size of the District the current funding level has not been sufficient to provide the increased service levels now being expected by the National Rural Fire Authority and would need increasing regardless of this proposal. The standards being set by the NRFA require more administration time than is currently possible with the resources budgeted in the 2012/13 year.
- 50 The business case states that Councils and DoC need to commit to five years of funding to provide certainty to the new Enlarged Rural Fire Authority. The first three years of funding would be held at current levels (plus CPI), with a full review at the end of that period.
- 51 The methodology for sharing the cost of an Enlarged Rural Fire Authority is based on risk, population and land area. When applying the formula, this proposal would see this Council increasing its Rural Fire budget by \$27,000.

This figure has been budgeted for in the Draft Annual Plan as even without moving into the proposed arrangement more resources would be required in this area. However the increase in rural fire costs are offset by savings in the Civil Defence and Emergency Management budget so there is no net impact on rates within the Draft Annual Plan.

- 52 If the Enlarged Rural Fire Authority is established, it would be required to maintain funding streams by responding to the needs and priorities of the community and proving that it is providing value for money. Options for funding are likely to remain the same, which would see the Enlarged Rural Fire Authority funds provided by:
- DoC contribution;
 - NRFA contribution; and
 - Council contributions (rates funded).
- 53 The alternative to Council contributions is the Enlarged Rural Fire Authority charging a levy on forestry and land owners. While this works in areas where there are a few very large forestry owners to deal with and few, if any, large urban areas, it is unlikely that this would be a suitable mechanism in the Wellington region.

Legal Considerations

- 54 Legislation within the Forestry and Rural Fires Act 1977 states a mandatory consultation process. This is managed by the National Rural Fire Authority.

Delegation

- 55 The Environment and Community Development Committee has delegated authority for
- 7.15 (c) the administration of the Forest and Rural Fires Act 1977 and Regulations there under; all matters enabled or required of the Council as the Fire Authority for the Kāpiti Coast Rural Fire District; all matters concerning Rural Fire Forces constituted pursuant to the above-mentioned Act and Regulations and liaison with the New Zealand Fire Service both in relation to the said District and the Urban Fire District. Authority to exercise those functions, duties and powers of the Council under Part 39 of the Local Government Act 1974 (Prevention of Fires) which remain in force;

Consultation

- 56 Discussions have taken place with the Te Horo Volunteer Fire Force and their comments have been considered within this report.
- 57 A meeting was held with forestry owners following a news letter that outlined the changes. Though only a small number attended they were in favour of the move.
- 58 Full consultation with affected parties will be carried out by the National Rural Fire Authority as part of their process defined under the Act after they receive a proposal from the five affected councils and DoC.

Policy Implications

- 59 There are no policy issues from this report.

Tāngata Whenua Considerations

60 There are no Tāngata Whenua issues.

Publicity Considerations

61 If Council adopts the recommendations to proceed with the proposal, then a press release will be developed.

RECOMMENDATIONS

62 That Council endorses the proposal for an Enlarged Rural Fire District as in Attachment Two of report Corp-13-834 and recommends that the Stakeholder Consultation Group forward this proposal to the National Rural Fire Authority subject to adding in the business case that the charter for the Enlarged Rural Fire Authority must ensure that:

- a) The Board structures its reporting to satisfy the requirements of the Councils and DoC;
- b) A review of the support provided to volunteer rural fire forces is conducted after 6 months; and
- c) Any significant changes to the levels of service or delivery of those services, such as any changes to the location, exclusion or dissolution of any volunteer fire force, requires stakeholder agreement prior those decisions being made.

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ATTACHMENTS:

Attachment One – Urban, Rural DoC Fire Responsibility Zones map
Attachment Two – Business Case: Wellington Enlarged Rural Fire District

Attachment One

