

Fire and Rescue Services
Review of Legislation

PROPOSALS FOR REFORM OF
FIRE AND RESCUE SERVICES

Local Government New Zealand

November 2006

“This work needs to be qualified by the question, “what is best for communities?” not by “what is best for the deliverers?”
(Michael Mills, July 2006, as facilitator of the Minister of Internal Affairs’ Stakeholder Workshop)

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Recommended Reading is provided at www.lgnz.co.nz in the current projects section. This includes "*The Facilitators' Report on the Leaders' Forum*" and *Local Government New Zealand's* submission to the Department of Internal Affairs in response to Discussion Document 1 on the review of fire and rescue services.

1 BACKGROUND

The Department of Internal Affairs is carrying out a major review of fire and rescue services. In December 2004 the Department released a Public Discussion Document, which raised the question of how to organise and govern New Zealand's fire services. The Department sought comment on three options for change:

- A purely “national” model incorporating all aspects of fire management, together with a rescue service role, within a single Fire and Rescue Service;
- A “modified status quo” model retaining Rural Fire Authorities, but expanding the role of the NZ Fire Service to include a national rescue role, and;
- A “national - regional” model that would require the delivery of fire and other general rescue services under statutory regional management and in consultation with Regional Advisory Boards.

Local Government New Zealand (April 2005) provided a submission on the New Fire Legislation Discussion Document. Our submission and other relevant documents to this review are posted in the current projects section of our website (www.lgnz.co.nz)

In our submission we outlined the role and contribution of local government to the fire service. We identified 6 important policy principles to guide consideration for this review, including elaboration of principles associated with the use of fire as a land management tool. These principles continued to inform the Team's evaluation of options in providing the conclusions outlined later in this paper.

In our submission we identified strategic imperatives for local government in the form of “preferred outcomes”, and provided a vision of a new fire and rescue service. These are repeated in this paper, to engender further discussion and feedback by councils.

We also provided a critique of the three options outlined by the Department of Internal Affairs. We stated a preference for the “National Regional Model”, but with a number of modifications to better meet the preferred outcomes we had identified.

In response to submissions, the Minister, the Hon. Rick Barker convened a workshop (11-12th July 2006). The Facilitators' Report on the “Leaders' Forum” lists the function, structure and funding issues to be addressed in this review and records findings on the topics “what do we want our future services to look like” and “funding - issues and options”. The Facilitators' Report is available at www.lgnz.co.nz current projects section.

Local Government New Zealand reported to all Zone and Sector meetings during August and September, to raise awareness about the scope of this review. Members were invited to discuss the issues and objectives for this review with stakeholders and to consider ideas for reform.

The Local Government Fire & Rescue Services Review Project Team (the Team) members' details are provided in Appendix 1. The Team met on 15 September 2006 to develop and critique a number of possible national-regional structures for future fire and rescue services, and to respond to funding issues. The National Council discussion in September 2006 provided the basis of a discussion paper to elicit feedback from the local government sector.

2 REVIEW OF FIRE AND RESCUE SERVICES

2.1 Immediate reform is needed in order to:

- Value and support volunteer fire and rescue workers
- Provide a clear legislative mandate for all current roles and functions:
 - Fire related roles and functions related to:
 - Reduction
 - Readiness
 - Response
 - Recovery
 - Rescue related roles and functions including vehicle crash services
 - Land management related roles and functions including planning, management and control of vegetation fires
 - Civil defence related roles and functions
- Legislative protection for fire fighters from legal liabilities in performing duties associated with each of the above roles and functions

Q1	Can you confirm these are the immediate goals for this law reform?
Q2	Have you identified any additional goals that might be targeted immediately?

As questions of the efficiency and effectiveness of the current system have been raised, we need to canvass your views on future structure and funding arrangements for these services.

2.2 A Vision for Fire and Rescue Services

The Team developed the following vision for the future fire and rescue services.

'The management of fire risk and rescue services through an integrated service that is efficient, effective and responsive to different contexts and communities.'

Q3	Can you endorse this as the vision promoted by Local Government Zealand?
Q4	Do you have another vision statement that you prefer?

2.3 Objectives for Reform.

This Review should achieve:

- integrated services, between rural and urban, vegetation and structural fire services, volunteer and professional firefighters, and fire and rescue services;
- national oversight of all aspects of fire risk management and rescue services;

- stronger links to regional civil defence emergency management groups;
- that all fire and rescue workers are valued and supported to carry out their role;
- clear mandate to attend non-fire emergency incidents and to undertake rescue work;
- legal protection for all fire and rescue workers when carrying out their duties;
- a consistent approach to setting standards and levels of service;
- quality assurance against national standards or agreed levels of service;
- a national funding system;
- equitable and transparent funding arrangements in terms of both contributors and beneficiaries;
- clear accountability arrangements.

Q5	Can you confirm these objectives?
Q6	Can you suggest any additions or deletions?

These objectives require consideration of more significant reforms, aimed at providing new governance and management structure/s for fire and rescue services.

These arrangements must be considered along with the matter of how best to fund fire and rescue services and to enhance the accountability arrangements.

2.4 Structure for Reformed Fire and Rescue Services - 3 N-R Variants

Please review "*The Facilitators' Report on the Leaders' Forum*" provided in the current projects section at www.lgnz.co.nz

Having participated in a stakeholder workshop in July, convened and hosted by the Hon. Rick Barker, the Local Government Team concluded most stakeholders preferred some form of 'National-Regional' structure, but that there were different interpretations of what that might look like.

Consequently the Team developed three variants of 'national-regional' structure and discussed the relative merits of these. The three variants are

Option 1 Centralised Command and Control.

This provides a national headquarters able to determine operational regions, and responsible for delivering all fire and rescue services across the country. This single service provider maintains a regional presence, in seeking advice from external parties at a regional level (some are able to opt out of the national service by managing their own fire and rescue risk) and cooperating with others around some aspects of risk management.

Option 2 A Distributed Network Supported by National Oversight

This provides for existing service providers to continue to operate, but with a necessity to collaborate within regions to achieve national standards (some variation still possible according to variable risk contexts, which still needed to be agreed with national centre). Groups of service delivery stakeholders would work to develop regional plans as partners in delivering services to a region, and bid for funds from the national centre to meet national standards. Any movement beyond national standards would be at the discretion and cost of those contributing services locally. This sees multiple service providers, with national oversight and support from a national centre.

Option 3 A New National Fire and Rescue Service Plus Collaboration Within Regional Networks of Existing Service Providers.

This option, also referred to as the hybrid, provides a national centre providing oversight of a distributed, regional collaboration between fire and rescue services. The national centre manages a national system for collecting and managing funds, the derivation of a unifying framework of national policies and standards, approval and audit of regional risk management plans for delivery of services against national standards (that are variable relative to risk contexts).

The current two national services would be combined into a single national service.

Regional plans would be developed and delivered within a cluster of service providers to the region. The cluster would include the regional chapter of the national fire and rescue service, in addition to the wholly local service providers. This system relies on collaboration between multiple service providers, in planning for and delivering services at regional level. The centre provides oversight of all fire risk management and rescue services, but regional clusters are responsible for delivering services. The regional cluster would bid for funds from the national funding pool to deliver the approved plan.

This collaborative risk management planning model is similar to that provided for Civil Defence Emergency Management (CDEM), but with a national funding mechanism to collect and distribute funds to ensure national policies and standards are met. Close alignment with the existing CDEM network would be needed.

This option would create a new National Fire and Rescue Service provider that would have capacity to manage both vegetation and structural fires and rescue services. This national service would need to be structured to provide sufficient regional discretion to make collaboration meaningful at a regional level, when planning where this service would respond to 'fire and rescue' incidents. The national service would also be required to serve all areas not covered by an approved alternative provider as outlined in an agreed regional plan.

In other words should a council provide the full scope of services it currently provides as a Rural Fire Authority, will depend on whether that council and other stakeholders in an area believe the council is best placed to continue to provide these specific aspects of the service. Should a Rural Fire Authority wish to get out of a particular aspect of its service, transitional arrangements would need to be negotiated with other providers (including the National Fire and Rescue Service).

2.5 The Project Team's Conclusions

Based on its critique, the Team concluded that the third option retains the strengths of the current system while addressing its weaknesses.

This option would allow Territorial Authorities (TAs) to determine, along with their counterparts and other stakeholders within a regional network, what aspects of the service they would continue to provide. This could allow a council to limit its role to risk reduction and recovery, passing readiness and responder roles to other service providers.

Alternatively, a council might be so integral to response capacity in a district, that it must continue in that role, but with a greater level of collaboration with and support from a national centre and fire fighting counterparts within a regional network. The scope of the role retained by a TA would, in time, depend on agreements within a region as to how best to deliver the full scope of fire and rescue services to the region.

Q7 Please indicate a preference for the future shape of fire and rescue services from these 3 options, and/or

Q8 Outline any enhancements you would like to see in relation to your preference of these 3 options.

Q9 Are there any questions you have about option 3? If yes, what are they?

Q10 Please indicate if you prefer a different model for the future fire & rescue services, than any of those outlined here (even with enhancements)?

Q11 Do you have any suggestions for transitional arrangements to manage the shift from the current system to the National - Regional system outlined as option 3.

3 Funding of Future Fire and Rescue Services

Information considered by the Team when discussing funding options is provided in Appendix 3.

The Team's preferred option for funding fire and rescue services in the future is to strengthen the current insurance based property levy system.

This would involve legislation to close existing loopholes in the insurance system. It would require an additional mechanism to capture those who choose not to insure, to enable them to separately contribute to the fire and rescue levy.

The Team observes that the property levy ought not to be tied only to insurance. It suggests that a fire and rescue services levy needs to be incorporated into vehicle registration.

The Team believes that these refinements to the current system would provide sufficient funds into a national pool to resource all fire and rescue services currently provided by the New Zealand Fire Service, the National Rural Fire Authority and by territorial authorities as Rural Fire Authorities.

The Department of Conservation, large forest owners, and the New Zealand Defence Force would continue to manage fire within their own areas. They could also contribute outside their area, within a regional network, just as they currently do (with S15 agreements or as good neighbours during an event).

Q12 Do you agree with the Team’s conclusion and support their recommendations for funding fire and rescue services in the future?

4 Further information requested

As the Team considers it does not yet have accurate data about some of the issues to be covered by this Review, we ask you to complete a survey about your current arrangements for providing for rural fire risk management and any role in rescue services.

A short survey on “current capacity arrangements” is provided in Appendix 4, that we ask you to complete and return at your earliest convenience. This information will assist us to develop robust advice to the Department of Internal Affairs’ Review Team during the drafting of legislative reforms.

The Local Government F&RSR Project Team also thinks it important to canvass the sector directly, as to each member’s interest or need to continue to provide fire risk management (and rescue) services to communities. We are keen to find out more about how many councils would like to discontinue their rural fire response function, relative to those councils committed to providing a response service. And, the Team is keen to clarify the rationales (in terms of risk and community contexts) that see some wishing to retain the role, while others wish to reduce their role.

Q13 Please provide an outline of your current capacity by responding to the survey provided in Appendix 3.

Q14 Can you envisage another fire service provider being able to take up the capacity you currently provide, or is the current capacity inextricably linked to council.

Q15 Does your council envisage continuing to manage and respond to rural fire risk.

Q16 Does your council seek to withdraw from responding to rural fire incidents.

APPENDIX I

MEMBERS OF THE LOCAL GOVERNMENT FIRE & RESCUE SERVICES REVIEW PROJECT TEAM

Name	Council
Adrian Glen	Wellington City Council
Basil Morrison	President (LGNZ)
David Adamson	Southland District Council
John Forbes	National Council (F&RS Portfolio)
Leigh Halstead	Rangitikei District Council
Mark Ball	Franklin District Council
Mark Farnsworth	Northland Regional Council
Mark Griffioen	Timaru District Council
Marshall, Keith	Christchurch City Council
Michael McCartney	Horizons Regional Council
Roger Twentyman	Tararua District Council
Ron White	Thames Coromandel District Council
Ross Hamilton	Marlborough District Council
Steven Ross	Auckland City Council
Warren Stevens	Environment Waikato

**APPENDIX II
FRAMEWORK FOR COMMENTING UPON THE 3 NATIONAL REGIONAL OPTIONS (DUE BY 4PM ON 5/12/06)**

OPTIONS	PLEASE COMMENT ON EACH OPTION, and ASK QUESTIONS OF FURTHER CLARIFICATIONS
<p>1. Centralised command and control:</p> <p>This provides a national head quarters able to determine operational regions, and responsible for delivering all fire and rescue services across the country. This single service provider maintains a regional presence, in seeking advice from external parties at a regional level and cooperating with others around some aspects of risk management. Some are able to opt out of the national service by managing their own fire and rescue risk. For example DoC, NZDF, large forest companies.</p>	
<p>2. A distributed network supported by national oversight:</p> <p>This provides for existing service providers to continue to provide services, but with a necessity to collaborate within regions to achieve national standards (according to variable risk contexts defined nationally). Groups of service delivery stakeholders would work to develop regional plans as partners in delivering services to a region, and bid for funds from the national office to meet national standards; any supplementing beyond national standards would be at the discretion of those contributing services locally. This sees multiple service providers, with oversight and support from a national centre.</p> <p>National non-response activities would continue to be the responsibility of the national centre (e.g. public education, research, training).</p> <p>Some are able to opt out of the national service by managing their own fire and rescue risk. For example DoC, NZDF, large forest companies.</p>	
<p>3. A New National Fire and Rescue Service Plus Collaboration Within Regional Networks of Existing Service Providers.</p> <p>This option, also referred to as the hybrid, provides a national centre providing oversight of a distributed, regional collaboration between fire and rescue services.</p>	

The national centre manages a national system for collecting and managing funds, the derivation of a unifying framework of national policies and standards, approval and audit of regional risk management plans for delivery of services against national standards (that are variable relative to risk contexts).

The current two national services would be combined into a single national service.

Regional plans would be developed and delivered within a cluster of service providers to the region. The cluster would include the regional chapter of the national fire and rescue service, in addition to the wholly local service providers. This system relies on collaboration between multiple service providers, in planning for and delivering services at regional level. The centre provides oversight of all fire risk management and rescue services, but regional clusters are responsible for delivering services. The regional cluster would bid for funds from the national funding pool to deliver the approved plan.

This collaborative risk management planning model is similar to that provided for Civil Defence Emergency Management (CDEM), but with a national funding mechanism to collect and distribute funds to ensure national policies and standards are met. Close alignment with the existing CDEM network would be needed.

This option would create a new National Fire and Rescue Service provider that would have capacity to manage both vegetation and structural fires and rescue services. This national service would need to be structured to provide sufficient regional discretion to make collaboration meaningful at a regional level, when planning where this service would respond to 'fire and rescue' incidents. The national service would also be required to serve all areas not covered by an approved alternative provider as outlined in an agreed regional plan. In other words should a council provide the full scope of services it currently provides as a Rural Fire Authority, will depend on whether that council and other stakeholders in an area believe the council is best placed to continue to provide these specific aspects of the service. Should a Rural Fire Authority wish to get out of a particular aspect of its service, transitional arrangements would need to be negotiated with other providers (including the National Fire and Rescue Service).

APPENDIX III THE TEAM'S CRITIQUE OF FUNDING OPTIONS

Funding Issues and Options

Funding questions include:

- Who are the beneficiaries of the service, direct and indirect?
- Who pays and how is this payment made (collected)?
- What efficiencies/inefficiencies arise in the collection system?
- What influence does the payee have over the services received?
- Who is answerable to whom and how, (i.e. who decides what gets done, where, when, how and why)?
- What certainty is there that sufficient funds will be captured to resource the need for services?
- How to value the beneficiaries interest when determining their contribution to risk reduction and incident response?

These questions inform structure, mandate and integration, but they are not the current issues identified around funding. These include:

Funding anomalies:

- The two systems are funded differently.
- The voluntary purchase of property insurance means that some contribute and others don't;
- Some may contribute many times (e.g. purchase house / contents insurance, and vehicle insurance, pay rates, volunteer fire fighter, make donations, employers of volunteers, and other in-kind).

A number of issues associated with property insurance as a basis for fire levy including:

- A lack of equity between those who are fully insured and those who are not (the uninsured, underinsured, self insured, offshore insured).;
- The fire levy also funds other services (e.g. rescue, HSNO incident response);
- A lack of transparency about who is contributing;
- A lack of incentives for fire safety measures;
- Potential erosion of funding as new insurance comes into the market.

Funding is not only via the property insurance levy:

- Similar observations to those made about property insurance levy apply to the fire service levy paid with car insurance;
- Ratepayers contribute to fire risk management, and the amount of that contribution is poorly quantified;
- There is an ability to recover costs of fighting fires from the relevant rural land owner (owner of fuel) or the vegetation fire starter (if they can be identified), that is not reflected in other fire contexts;
- Community contributions, including in-kind, that are not quantified..

There are collection issues:

- Dissatisfied insurers collecting for services they don't provide or control;
- Ratepayer willingness to pay, given competing demands for services from rates;
- The funds that are collected are not related to non-fire services;
- Security of the current funding system dependent on ability increase funding in response to growing demand for services,

Principles or criteria that might inform decisions include:

- Keep it simple - don't add unnecessary collection costs;
- Find an approach that is fair, in distributing costs against the beneficiaries;
- Some systems could have advantages in encouraging or incentivising fire risk management;
- Accountability - a connection between service delivery and the payees;
- Transparency.

Outstanding Questions

- Governance / accountability arrangements, at both national and regional levels;
- Definition of 'region';
- Ownership of assets;
- Protection of regional assets (meaning those protected by current rural arrangements);
- Command and control (for example 3 centres currently within the NZFS);

Who are the interested parties to funding capacity?

- NZ Fire Services Commission - NZFS / NRFA
- Rural Fire Authorities, including:
 - Territorial authorities
 - Department of Conservation
 - NZ Defence Force
 - Forestry Companies
- Fire Fighters and rescue workers - professionals / volunteers
- Insurance clients
- Communities represented through district councils - rates
- Regional councils? CDEM link

Funding options

Options identified include:

- Rates based funding;
- A property levy associated with property insurance (i.e. insured value) capped depending on the type of property insured (e.g. residential, commercial, building and contents)
- A property levy (ranging from a standard fee or stamp duty, through to increasingly complicated formula), perhaps able to be collected in association with rates. Such a levy could be charged on:
 - Property values; or,
 - Floor area of buildings; or,
 - Improved property values.
- General tax based funding (income);
- General tax based funding with a rebate for insurance;
- General tax based funding for non-fire emergency services;
- A levy or surcharge on ACC premiums;
- A levy or surcharge on all motor vehicle registrations;
- A standard levy per person, (perhaps collected through IRD).

None of these options needs to be considered in isolation, a mixed system could be established. While the Leaders' Forum did not agree on a particular options, the Local Government Project Team considered the options and concluded that fixing the current system and supplementing it through a levy attached to vehicle registration would provide sufficient funds to provide comprehensive fire and rescue services to a national system to be distributed through regional networks.

APPENDIX IV CURRENT CAPACITY ARRANGEMENTS

Answering capacity questions is not easy. There is poor quantification of:

- the contributions, both direct funding and the indirect and/or in-kind funding made by councils and communities;
- the variety and complexity of current capacity arrangements;
- the needs of volunteer fire fighters to maintain and support their service;
- the characteristics of resilient communities;
- the practical importance of funding anomalies and of any inequity arising;
- the levels of service that might be expected in different contexts and whether these ought to influence and standards that might be desired;
- the resources needed to provide these levels of service and standards;
- the geography of need and of response at a national level. We have not accurately mapped the demand for fire and rescue services or the supply arrangements.

The Local Government F&RSR Project Team needs to better quantify the current resources available to fire and rescue services provided by Rural Fire Authorities and the communities that support the vegetation fire risk management and rescue network. The information from councils provided to the Team in this survey will be confidential to the Team and *Local Government New Zealand*. We will collate responses to present findings to feed into analysis for this review. We will seek your permission to include your district as a case study, should the need arise.

1. **Can you provide an estimate of the \$NZ value of all contributions, made by your council, as a Rural Fire Authority to deliver a rural fire service in your district?**
2. **Have you identified Levels of Service in relation to the rural fire risk management and response function?**
3. **What resources are needed to provide these levels of service and standards?**
4. **Can you provide an estimate of all contributions direct and/or in-kind funding made by communities to the delivery of rural fire services in your district?**
5. **Can you please provide a summary of your current rural fire risk management (and response) capacity arrangements?**
6. **What do you think is needed to meet the needs of volunteer fire fighters to maintain and support their service?**
- 7 **Do you have any capacity to provide rescue services? (describe?)**

The Project Team has developed some case studies to describe how some of these arrangements are currently provided. We are keen to receive other case studies. If you are able to profile an outline of any special features of how your community is managing vegetation fire risk and rescue responses or if you believe your fire district needs to be profiled as a case study, please contact, jane.johnston@lgnz.co.nz.

PLEASE RESPOND TO THIS SURVEY BY THE END OF JANUARY 2007