



## Board Minutes

### BOARD MEETING

**Date:** Thursday 26 September, 2019

**Time:** 8am – 4.10pm

**Venue:** Beachfront Hotel, Hokitika

#### Present:

Hon Paul Swain	Chair
Rebecca Keoghan	Deputy Chair
Malcolm Inglis	Member
Wendie Harvey	Member

#### Apologies:

Te Aroha Cook	Member
Gwen Tepania-Palmer	Member

#### In Attendance:

Rhys Jones	Chief Executive
Raewyn Bleakley	Deputy Chief Executive Office of the Chief Executive
Russell Wood	Deputy Chief Executive Organisational Strategy and Capability Development
Darryl Purdy	Deputy Chief Executive Finance and Business Operations
Janine McLees	Director Integration
Amelia Dalley	Secretariat

The Chair opened the meeting at 8am and held a closed Board session until 9.05am and then met with the Chief Executive in a closed session until 10.05am.

The Board noted it would formally write to Rhys to thank the teams involved in organising the Board visit to the West Coast and effort that was put into organising it. The Board found the presentations at the stations and the day valuable.

The Board noted apologies from Te Aroha Cook and Gwen Tepania-Palmer.

#### 1. 19(128) Conflicts and Declarations of Interest

Wendie Harvey added the following interest:

- Director, Eastland Group Limited

  
CHAIR

## 2. 19(129) Confirmation of minutes

The minutes of the Board meeting held on 2 September 2019 were approved as a true and accurate record of the meeting with minor amendments.

Moved: Rebecca Keoghan; Seconded: Wendie Harvey

## Action log updates

The Board discussed its expectations for the Pathways Programme and requested management work with UFBA to convey these.

## 3. 19(130) Local Advisory Committees implementation plan

The Board was provided with an update on the implementation plan and progress toward the establishment of the first seven Local Advisory Committees (LACs). The Board was advised that engagement with key stakeholders is underway and work is being undertaken to engage with iwi on the establishment of the LACs.

The Board noted the proposed process to evaluate LAC member applications. The Board was advised that fees to LAC members would be in line with the Cabinet fees framework. The Board requested to be provided all nominations in the Diligent resource centre.

The Board discussed the interface LACs will have with partners, particularly Civil Defence Emergency Management and noted LACs will need to be coordinated. The Board discussed Fire and Emergency's approach to identifying potential LAC members and particularly making sure the people are representative and we identify key community leaders early in the process. The Board discussed the appointment process and possible approaches to appointing a Chair for management to consider.

### Resolved

That the Board:

1. **noted** that establishment activities have commenced in all seven locations
2. **agreed** to request the Chief Executive prepare advice on the existing operating principles, for the Board's consideration and approval, and
3. **noted** the implementation plan to establish seven LACs by 30 June 2020 and the associated risks.

Moved: Malcolm Inglis; Seconded: Rebecca Keoghan

  
CHAIR

#### 4. 19(131) Fire and Emergency New Zealand Operating Costs

The Board was provided with confirmation that Fire and Emergency can operate within the 2021/22 forecast of \$618m in the 2019 Statement of Service Performance (SPE). The Board noted it was a helpful paper that provided the Board a better understanding of the work management is doing to understand the organisations costs.

The Board asked for clarification on the integration projects that will continue beyond this current financial year. Management advised that work is underway to categorise the projects that will provide ongoing support to the unification of Fire and Emergency and that further information is contained in the paper on the Integration work programme (Agenda item 13).

The Board was advised that work is underway to consider the phasing of projects to ensure that Fire and Emergency can continue to manage its operating costs while delivering on government expectations as set out in documents such as the Statement of Performance Expectations and Statement of Intent. Work is underway to develop a paper on a funding strategy that will included advice on the ongoing prioritisation of projects.

#### Resolved:

That the Board:

1. **noted** that Fire and Emergency can operate within the 2019/20 budget of \$606m, the 2020/21 forecast of \$617m and the 2021/22 forecast of \$618m in the 2019 Statement of Service Performance (SPE). This includes the cost of changes under Scenario 2, the Tranches including 2, 2b and 3, and operating costs flowing from the capital programme
2. **noted** that in June 2019 ELT recognised the need to reallocate existing resources and to phase the implementation of Tranches including 2, 2b and 3 to enable Fire and Emergency to remain with the 2019 SPE budgets and forecasts
3. **noted** that also in June 2019 ELT prioritised 2019/20 projects and initiatives to fit within the discretionary funding available in the budget
4. **noted** that no reductions are planned for firefighter staffing levels
5. **noted** that further analysis indicates that adjustments to other staffing and capped funding pools for projects and initiatives in 2020/21 and 2021/22 are required to ensure that costs remain within the 2019 SPE forecasts. These adjustments will be made as part of the 2020/21 Budget process
6. **noted** that most appointments since 1 July 2017 have been made on a fixed-term basis or filled by contractors. This provides enough scope to adjust the organisation structure to fit within the 2019 SPE forecasts, and
7. **noted** that two other pieces of work are progressing in parallel to the analysis of operating costs considered in this paper: (a) Input for the Fire and Emergency Funding Review; and (b) Funding Options. A progress update is provided in Appendix 3.

  
CHAIR

## 5. 19(132) Fire and Emergency Levy Value Story

The Board was provided with an overview of management's thinking regarding the development of Fire and Emergency New Zealand's value story. The Board discussed the cost of bringing rural assets up to a minimum standard and requested that management consider seeking an external assessment of the variance between the predicted costs prior to establishment and expenditure required to date.

### Resolved

That the Board:

1. **noted** the contents of this paper which contains early thinking regarding the content of our value story
2. **endorsed** the proposed approach and provide further feedback on potential content
3. **provided** guidance on any desired further involvement of the Board in the development of this work, and
4. **noted** that we will provide the Board with the proposed final value story for consideration at its meeting on 29 November 2019.

Moved: Paul Swain; Seconded: Wendie Harvey

## 6. 19(133) Integration work programme and transition to unification and financial basis for drawdown Presentation

Management provided the Board with a presentation and noted that it was detailed and advised the Board may wish to take copies of the presentation to look over. Management advised it is of the view that funding is required to continue to progress unification activities. The Board noted that this work needs to be confirmed by April 2020 and that it was keen to keep discussions at a high level at this point.

The Board discussed the capital expenditure on former rural assets and noted the variance with what was predicted would need to be invested in rural assets. Management advised that additional funding from the levy was used to accelerate investment in rural infrastructure. Management also noted that corporate systems were not well developed in the former rural authorities and it was likely Councils were absorbing costs through the provision of back office support. The investment in rural was further discussed, such as the roll out of Incident Ground Communications (IGC) radios to rural fire forces and brigades.

Management advised that integration initiatives will continue beyond July 2020, but that the programme will formally cease. Funding is there to support unification projects that will continue beyond July 2020 and that they will require specialist expertise to complete before it is handed to the business and implemented as business as usual work.

  
CHAIR

## **Resolved**

That the Board:

1. **noted** the presentation on Integration work programme and transition to unification and financial basis for drawdown presentation
2. **noted** the context and basis for the final drawdown application
3. **delegated** Malcolm Inglis and Rebecca Keoghan to work with management on the draft drawdown document to be considered by the board in the October meeting, and
4. **noted** that the draft drawdown document will be shared with DIA once Board has approved the draft.

Moved: Paul Swain; Seconded: Rebecca Keoghan

## **7. 19(134) Adoption of the draft annual financial statements**

The Board was presented with the draft annual financial statements for the 2018/19 financial year for adoption. The Board noted that explanatory notes were subject to changes following the Audit and Risk Committee meeting.

## **Resolved**

That the Board:


1. **noted** the draft annual financial statements
2. **noted** the Audit and Risk Committee's recommendation that the financial statements go to the Board for approval in October, without further circulation to Committee members, subject to any adjustments required by auditors
3. **adopted** the draft annual financial statements with amended notes and approve they be sent to the Auditor General to be audited
4. **noted** the final version of the financial statements that will be presented to the Board at the October meeting for approval and signing as part of the full annual report.

Moved: Malcolm Inglis; Seconded: Wendie Harvey

## **8. 19(135) Statutory Dispute Resolution Scheme draft rules**

The Board was provided with the advanced draft rules for the statutory dispute resolution scheme (the Scheme). Management advised that the Scheme is on track to be in place in the first half of the year and this paper updates the Board on the draft rules.

The Board provided feedback on the draft rules and requested that they be reviewed for plain English prior to consultation. Management confirmed that a review could be undertaken and still meet the overall timeframes for implementing the Scheme.

  
CHAIR

## Resolved

That the Board:

1. **noted** the associated risks with consultation of the scheme
2. **delegated** the final sign off of the draft rules for consultation to Wendie Harvey
3. **agreed** to another round of consultation to take place on the draft rules
4. **noted** that the draft rules will be resubmitted to the Board before the end of 2019 with a final draft of these rules, for final approval to submit to the Minister for her approval (as required by the Act).

Moved: Rebecca Keoghan; Seconded: Malcolm Inglis

## 9. 19(136) Chief Executive's Report

The Chief Executive presented the monthly report to the Board.

The Board noted the financial information and that it is tracking well. The Board asked whether Fire and Emergency should review its billing practices for overseas deployments to protect against forex loss.

The Board requested whether there was any update on the work being undertaken to provide advice on providing life insurance for volunteers. Management advised that the project is being led by the Deputy Chief Executive People. The Board noted the advice that rolling out the supplier discount scheme would attract fringe benefit tax and asked management to consider how to respond to any questions from our people on this. The Board noted the work being undertaken on the volunteer incident payment and retirement gratuity and due to the significance of volunteer payments requested to see any proposals before consultation.

The Board was advised that the fire permitting system is now live.

*Janine McLees and Darryl Purdy left the meeting 1.25pm*

The Board was advised that management would be undertaking information sessions across the country next week to engage with our people on the consultation on organisational design and that summaries for our people are being developed, tailored to the different roles they have. Weekly video conferences have been held with managers and provided the opportunity to ask questions. Management advised requests for extending consultation are being considered.

The Board discussed the IT challenges it observed on its visit to stations on the West Coast. Management advised that in some cases there had been complexities that may not be obvious, such as consenting. The Board requested that management ensure people in roles such as Volunteer Support Officer or Deputy Principal Fire Officer are made aware of the reasons for delay or sequencing where they exist so that these can be communicated.

The Board confirmed that the Unified Uniform project is being sponsored by the Deputy Chief Executive Service Delivery and was advised the trial would provide greater clarity on rolling out the uniform.

CHAIR

The Board was advised that a soft launch of the values had occurred and efforts are now being put into launching the strategic framework, which includes the values, and developing an implementation plan.

The Board noted the number of overall incidents has fallen but that it is not statistically significant.

**Resolved**

That the Board:

1. **noted** the monthly report.

**10. 19(137) Leadership framework**

The Board received a presentation from the Chief Executive on the Leadership framework. The Board was advised that there are existing programmes in place that are ongoing for people and have been used to induct new leaders into the organisation. Some of these have required updating to ensure they support our current approach.

Management advised that the Defence Force approach to leadership development is being looked at to model a Fire and Emergency leadership framework on and that it looks at development across the organisation, not just operational leaders.

The Board asked what will be in place for leaders who are appointed following the implementation of the organisational design changes and requested an update in the Chief Executive's report in November. Management advised that the existing leadership development training would be used.

**11. 19(138) Positive Workplace Culture Programme**

The Board was provided with a six-month progress report on the Positive Workplace Culture Action Plan. The Board requested a copy of the evaluation framework.

**Resolved**

That the Board:

1. **noted** the six-month progress report of the Positive Workplace Culture Action Plan
2. **noted** that the progress report will be made available to the public on 2 October 2019, and
3. **noted** the Minister of Internal Affairs will be briefed immediately following the Board meeting.

**12. 19(139) Right of first refusal as Treaty of Waitangi settlement redress**

*Malcolm Inglis left the room at 2.40pm due to a potential conflict of interest.*

The Board was updated on the Whanganui Land Settlement and approval required for the proposed changes to the Property disposal policy. The Board discussed whether brigades should be consulted or engaged in a right of first refusal the possible precedent set by previous decisions and agreed to amend the proposed text to include that the decision should take into account engagement of the brigade as appropriate.

  
CHAIR

**Resolved**

That the Board:

1. **noted** that at its meeting on 6 March 2019 the Board agreed (Minute 19(023)) to explore a RFR over Whanganui Fire Station land.
2. **noted** that the Crown and the Whanganui Land Settlement Negotiation Trust signed *Te Tomokanga ki te Matapihi* – an agreement in principle to settle Whanganui Land Settlement grievances – on 30 August 2019.
3. **noted** that the Board will receive a further paper on the outcome of consultation with the Whanganui Brigade and, if appropriate considering that consultation, be asked to approve the inclusion of a RFR over the Whanganui Fire Station land in the subsequent deed of settlement and any settlement legislation.
4. **approved** as amended the replacement of the current text in the *Property Disposal Policy* with the new text set out below, subject to any minor editorial adjustments management considers necessary for consistency with other changes made to the *Property Disposal Policy* as part of its standard biennial review.

Moved: Paul Swain; Seconded: Rebecca Keoghan

*Malcolm Inglis returned to the meeting at 2.45pm.*

**13. 19(140) Safety health and wellbeing monthly report**

The Board was presented the Safety Health and Wellbeing monthly report. The Board was advised that key activities over the past month have been preparing the ACC audit and a manager has been appointed to look after the Safety Health and Wellbeing projects being transferred from integration.

The Board discussed the need to consider the trends and subsequent analysis and actions to be taken coming from the injury data and noted the Safety Health and Wellbeing subcommittee will have a role in this.

The Board was advised Fire and Emergency is recognised as tertiary for injury management by ACC. Contractor management is holding us back from achieving tertiary overall. A project is underway to look at this.

Management advised that after looking at examples of incidents being classified as catastrophic it can confirm that it includes incidents that our people have assessed as having the potential to be catastrophic. Management is looking at these and the corrective actions needed.

**Resolved:**

That the Board:

1. **noted** the interim Safety, Health and Wellbeing monthly report.

CHAIR



#### 14. 19(141) Earthquake prone buildings and notifications

The Board was provided with an update on the number of earthquake-prone building notices being issued for commercial buildings nationally following an amendment to the Building Act 2004. The Board noted the advice and associated communications approach and that Fire and Emergency is not uniquely affected by the amendment to the Building Act 2004.

The Board asked whether management had sought legal advice on how it can comply with the requirement for fire stations to be IL4. Management advised it would need to be considered within the context of our mandate following significant events.

#### Resolved

That the Board:

1. **noted** the content of this paper, including the proposed internal communications approach around earthquake-prone building notices and their implications.

#### 15. 19(142) Significant initiatives for reporting to the Board

The Board was provided with a paper on significant initiatives that have been considered through the prioritisation process.

The Board considered the list of mandatory initiatives presented in the paper and suggest a brief categorisation of why the initiative has been assessed as mandatory could be included.

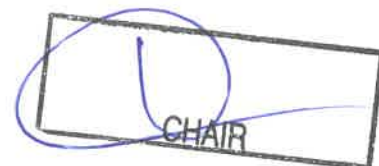
Management advised that many of the mandatory initiatives are already reported to the Board in some form. The Board asked for advice from management on the level of reporting that is recommended. Management agreed it could provide a high level report.

The Board was advised that costings were developed through a process of engaging with teams working on the initiatives, noting that some costings are more mature than others.

#### Resolved

That the Board:

1. **provided** feedback on specific initiatives of interest the Board would like to receive further regular and, by-exception reporting on
2. **noted** that the proposed (2 September 2019) list of possible initiatives to report on does not contain the entire 'mandatory' list
3. **noted** that the list(s) are extensive and if regular reporting was required on all items, it would create significant pressure on the business, and would not be possible within current staffing and resourcing levels
4. **noted** that ELT, one of its sub panels, or a specific steering group would provide oversight and governance functions across all initiatives during their lifecycle
5. **noted** the criteria for 'mandatory' categorisation of initiatives and that these are resourced from both BAU resource and funding and discretionary funding where available.
6. **noted** that the normal Quarterly Report process will include most if not all of the initiatives listed in the Board paper of 2 September 2019.



CHAIR

7. **noted** the paper (Appendix 2) provided to the Finance and Investment Committee (16 September) that provides further detail of the prioritisation process and selected initiatives.

**16. 19(143) Approval to grant electricity easement at Christchurch City Fire Station**

The Board was asked to approve the granting of an electricity easement to Orion New Zealand Limited (Orion) over a small portion of Fire and Emergency's Christchurch City Station site at 200 Kilmore Street, Christchurch (corner of Kilmore Street and Oxford Terrace).

**Resolved**

That the Board:

1. **noted** that the commencement of demolition work as part of the redevelopment of the Christchurch City Station site is contingent on the installation of new on-site electrical infrastructure by Orion and that an electricity easement over part of the site is required to enable that;
2. **noted** that Fire and Emergency's *Property disposal policy* states that Board approval is required for the granting of any easement;
3. **approved** the grant and registration of an electricity easement in favour of Orion over 8m<sup>2</sup> of Fire and Emergency's land at 200 Kilmore Street, Christchurch; and
4. **noted** that the administrative actions necessary to execute and register documents associated with the easement will be carried out by the National Property Manager and one of the ELT appointees to whom the Board has granted power of attorney.
5. **noted** that the Board will receive a future paper recommending a recalibration of property-related matters for which Board approval is required, to better reflect any risks associated with different arrangements and transactions.

Moved: Malcolm Inglis; Seconded: Wendie Harvey

**17. 19(144) 2018/19 Annual Report**

The Board received the second draft of the 2018/19 Annual Report and provided feedback. The Board requested further work be undertaken to develop the financial commentary and noted the flow of the document needed further consideration. Other minor changes were suggested.

The Board requested that the final designed version be uploaded to the Diligent resource centre and its availability noted in the October Board papers.

**Resolved**

That the Board:

1. **reviewed** the second draft of the 2018/19 Annual Report and provide feedback by 27 September 2019
2. **noted** a near final designed version of the report will be circulated in the first half of October 2019, out of session for Board approval
3. **noted** the timeframe for completing the Annual Report and providing copies to the Minister.

  
CHAIR

#### **18. 19(145) Engagement update**

The Board was provided with an overview of our recent engagement with unions, associations and other key organisations who we partner or work with to deliver our functions. The Board expressed confidence in the work happening to engage with unions, associations and other key organisations.

#### **Resolved**

That the Board:

1. **noted** the update on engagement with unions, associations and other key organisations.

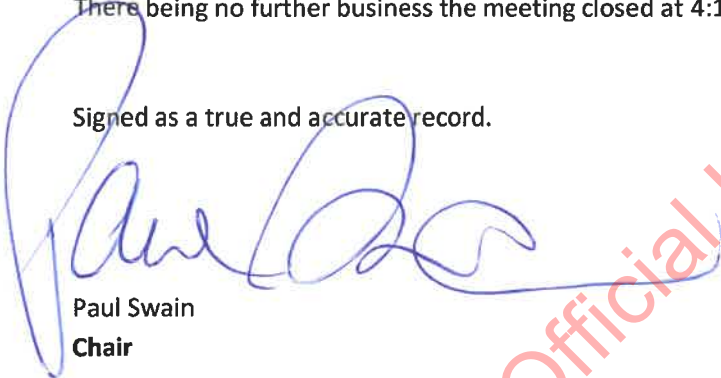
#### **19. 19 (146) General Business**

The Board noted that Rebecca Keoghan will be Acting Chair while the Chair is away from 28 September to 25 October.

The Board noted that Fire and Emergency had submitted a submission on a petition requests a ban on the retail sale of fireworks. The Board advised any submissions to Parliament should be signed off by the Board.

There being no further business the meeting closed at 4:10pm

Signed as a true and accurate record.



Paul Swain  
Chair



## Board Minutes

### BOARD MEETING

**Date:** Tuesday, 29 October 2019

**Time:** 9.00am – 4.00pm

**Venue:** National Headquarters, Level 12, 80 The Terrace, Wellington

#### Present:

Hon Paul Swain	Chair
Rebecca Keoghan	Deputy Chair
Malcolm Inglis	Member
Wendie Harvey	Member
Te Aroha Cook	Member
Gwen Tepania-Palmer	Member

#### In Attendance:

Rhys Jones	Chief Executive
Raewyn Bleakley	Deputy Chief Executive Office of the Chief Executive
Russell Wood	Deputy Chief Executive Organisational Strategy and Capability Development
Darryl Purdy	Deputy Chief Executive Finance and Business Operations
Brendan Nally	Deputy Chief Executive People
Janine McLees	Director Integration
Tania Woodcock	Interim Director Organisational Strategy & Capability Development
Jenny Stevens	Secretariat

The Chair opened the meeting at 9.00am and a whakatau was held for Rebecca Keoghan and Gwen Tepania-Palmer.

The Board held a closed Board session from 9.20am until 10.05am and then met with the Chief Executive in a closed session until 11.25am

#### 1. 19(147) Conflicts and Declarations of Interest

Gwen Tepania-Palmer added the following to the Declaration of Interest register:

- Chair, Ngati Hine Health Trust, Kawakawa
- Deputy Chair, Auckland District Health Board
- Lottery Waikato Community Committee



- Health Quality Safety Commission
- Director Hauora Whanui Limited

Paul Swain added Trustee, Hutt Mana Charitable Trust;  
Wendie Harvey removed Napier Port Limited and Napier Port Holdings Limited; and  
Te Aroha Cooked removed Acting Chief Executive, Westland District Council

## 2. 19(148) Confirmation of minutes

The minutes of the Board meeting held on 26 September 2019 were approved as a true and accurate record of the meeting with minor amendments.

Moved: Paul Swain; Seconded: Rebecca Keoghan

### Action Log updates:

The Board requested that the Drawdown paper be added to the November Board agenda; and asked management to keep Rebecca Keoghan and Malcolm Inglis informed over the contents of the paper.

## 3. 19(149) Chief Executive's report

The Chief Executive presented the monthly report to the Board. The Board noted the tight programme to deliver the seven Local Advisory Committees by June 2020 and management provided assurance that they would be in place.

The Board requested that the Chief Executive write and thank the following West Coast brigades: Hokitika, Grey, Ross who all worked tirelessly in searching for the young girl tragically swept away in the Hokitika river during late September 2019.

Raewyn Bleakley advised the Board that an appointment had been made to the role of National Manager Communication and Engagement. Nicki Chilton would commence on 27 November and she has previously been at WorkSafe New Zealand and brings a wealth of experience to the organisation. The Board would have an opportunity to meet her at a future Board meeting and also thank Nick Venter for his contribution in the Acting role during 2019 prior to his departure.

The Board discussed the financial position at the end of September 2019 and noted the financial risks identified. The Board noted that there are currently 36 more vehicle leases and questioned why those hadn't been budgeted for and if there were any other anomalies that they needed to be aware of that hadn't been budgeted for. The Board questioned the gratuities and long service leave being over budget and what was driving these increases.

Management reassured the Board that they are managing within current budget and making fiscally responsible decisions around expenditure.

  
CHAIR

The Board acknowledged the reasoning behind call-backs and noted that management were still analysing the situation and would provide an update on any further insights into the variance and whether there any remediation actions available.

**Resolved**

That the Board:

**noted** the monthly report.

**4. 19(150) Local Advisory Committee establishment update**

Janine McLees joined the meeting and provided an overview of the Board's relevant powers and duties under the Fire and Emergency New Zealand (Local Advisory Committees) Regulations 2018 (Regulations), in respect of establishing and operating Local Advisory Committees; recommends delegation of certain powers and duties; and outlines the selection and appointment process.

The Board hold specific duties and powers around Local Advisory Committee membership, including specific selection and appointment activities and they may delegate these duties and powers to Fire and Emergency personnel, for practical purposes.

The Board provided feedback on the proposed process including the need to add to the description of skills and experience required to ensure we attract the right calibre of candidates, and while not wanting to delay the establishment of Local Advisory Committees, nor be involved in administrative matters, the Board did not approve the delegation as proposed and requested the removal of clauses: 6(3); 10(1); 10(2); 11(1) and 11(2) at this time; agreed that the Board retain clause 7(1) the power to appoint Local Advisory Committee members; and agreed to the delegations of clauses 6(1); 6(1)(a)(ii); 6(1)(b); 6(2) as proposed.

The Board noted that they would receive another establishment update at the November 2019 meeting.

**Resolved:**

That the Board:

1. **noted** the Board's relevant powers and duties under the Regulations in respect of the nomination and appointment of Local Advisory Committee members.
2. **delegated** powers and duties to the DCE Office of the Chief Executive as amended in this paper.
3. **authorised** the Chair to given written notice of the delegated powers and duties to the DCE Office of the Chief Executive.
4. **endorsed** the proposed candidate selection and appointment approach as amended, be applied in the seven locations.

Moved: Wendie Harvey; Seconded: Te Aroha Cook

**5. 19(151) Advocacy and Support services**



Janine McLees remained at the meeting for this item and provided the Board with progress of work to review the current arrangements for advocacy and support services and to determine the appropriate approach to sourcing these services from other providers from 1 July 2020.

The Board noted section 37 of the Fire and Emergency NZ Act 2019 enables Fire and Emergency New Zealand (Fire and Emergency) to make advocacy and support services available to Fire and Emergency volunteers, and since 1 July 2017 these services have been provided to volunteers by either the United Fire Brigades Association (UFBA) or through an independent advocate requested by application to Fire and Emergency, which allows volunteers who wish to be represented by someone other than the UFBA to request approval for funding.

The Board requested management consider the procurement of advocacy and support services as part of the work required to review the Transitional Support and Advocacy Agreement with the UFBA.

**Resolved:**

That the Board:

1. **noted** the current status of the work on advocacy and support services for volunteers.

Moved: Rebecca Keoghan; Seconded: Gwen Tepania-Palmer

**6. 19(152) Property Deep Dive**

Russell Wood and Dominic Hare joined the meeting and presented to the Board an overview of the property portfolio and the challenges facing the organisation following years of deferred maintenance across the portfolio, the Christchurch rebuilding programme of work, and the residential and commercial growth in some areas.

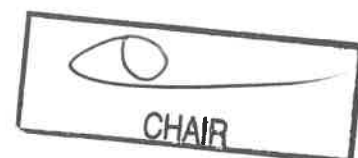
The Board was advised that there are challenges for the portfolio in balancing investment to upgrade rural facilities and manage expectations, together with the need for some significant new builds and upgrades and the ongoing Christchurch rebuild, seismic upgrades and asbestos management plans. Management advised that work is underway to explore with Ministry Business Innovation and Employment (MBIE) what if any flexibility we had to IL4 compliance.

*Te Aroha Cook left the meeting at 1.30pm.*

The Board discussed the challenge of operating within financial constraints while also acknowledging the inherited standard of some of the assets that were not fit for purpose and there would need to be a strategic approach to the options.

*Rhys Jones left the meeting at 1.45pm.*

The Board requested that management seek a legal opinion and/or further investigation around IL4 compliance and report back in due course.



**7. 19(153) Asbestos management for Fire and Emergency NZ properties**

Russell Wood joined the meeting for this item and advised the Board on the progress Fire and Emergency is making to ensure compliance with the Health and Safety at Work (Asbestos) Regulations 2016 in the context of its own property portfolio. These Regulations require Fire and Emergency to ensure, as far as is reasonably practicable, that all asbestos or asbestos containing material giving rise to risk at its workplaces are identified and appropriately managed.

The Board noted that 498 of its sites require an asbestos survey and to date we have completed 114 asbestos surveys and are currently in the process of procuring the remainder of the surveys via an open tender approach for third party providers. Management provided the Board with assurance that the health and safety policies and processes significantly mitigate the risks of any asbestos related harm.

Management assured the Board that the Fire and Emergency Property team has been working with the regulator WorkSafe since mid 2015, communicating about asbestos requirements and working to get a consistent and comprehensive national approach in place. WorkSafe are aware that there is still considerable work to do.

**Resolved**

That the Board:

1. **noted** the content of this paper, including:
  - a. that Fire and Emergency has yet to fully comply with the Health and Safety at Work (Asbestos) Regulations 2016;
  - b. that work has been underway to ensure a nationally comprehensive and consistently managed approach is being taken to achieve compliance; and
  - c. that a recent Official Information Act request has the potential to raise the level of interest in our progress to compliance.

**8. 19(154) Final funding review discussion document and consultation plan**

The Board was provided with an update on the release of the consultation document which was released on 25 October 2019, together with the Department of Internal Affairs plans for a mix of public and targeted consultation between release and submissions closing on 5 February 2020.

**Resolved**

That the Board:

1. **noted** the contents of this update.

**9. 19(155) Approval to dispose of four surplus properties**

*Malcolm Inglis declared a potential conflict of interest and abstained from voting.*

The Board was asked to approve the disposal of the following sites, which have been identified as being surplus to requirements:

  
CHAIR



- 11 Kaipo Street, Waitotara (790m<sup>2</sup>) – former Waitotara Volunteer Fire Station
- 163 Styx Mill Road, Redwood (1.12ha) – balance of surplus land following the construction of the new Redwood Fire Station
- 272 Cranford Street, Christchurch (2,060m<sup>2</sup>) – former St Albans Fire Station
- 49 Foster Road, Thornbury (1,047m<sup>2</sup>) – former Thornbury Volunteer Fire Station

The Board noted the current Property Disposal Policy requires Board approval regardless of the value of the property and policies were currently being reviewed to better align approval requirements with delegated financial authorities.

**Resolved**

That the Board:

1. **noted** that all these sites are surplus to requirements and are not required for operational or administrative purposes;
2. **noted** the relevant Fire Region Managers have been consulted and support the disposals;
3. **noted** independent valuations have been received for each site;
4. **noted** the clearances necessary to dispose of each site – i.e. compliance with statutory right of first refusal provisions, iwi consultation, clearance through the LINZ administered Crown Property Disposal Portal, and natural values assessments – will be undertaken before each site is disposed of;
5. **noted** these sites are not subject to 'offer back' requirements under the Public Works Act 1981;
6. **approved** the disposal of these sites; and
7. **authorised** the National Property Manager to dispose of these sites in accordance with the *Property Disposal Policy* and delegated financial authority limits.

Moved: Rebecca Keoghan; Seconded: Paul Swain

**10. 19(156) Quarterly Report to the Minister**

The Board was provided with the draft first quarter (Q1) Board report to the Minister for the 2019/20 financial year, which was due to be submitted no later than 12 November 2019.

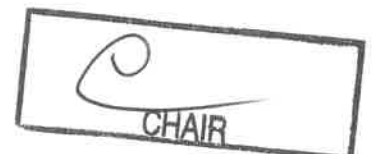
The Board requested the following be included in the Q1 report:

- more narrative and focus on key financial matters including the property and fleet portfolios and the challenges currently being managed;
- more narrative around any of the SPE measures that are currently off-track and an indication as to when they were return to being on-target; and
- a strong statement that the Board continues to work and manage within fiscal constraints

The Board delegated to management the final approval of the document.

**Resolved:**

That the Board:



1. **provided** feedback on the content of the draft Q1 Board report;
2. **noted** that your feedback will be incorporated into the draft report to finalise; and
3. **noted** the quarterly report will be sent to the Minister's Office by 12 November.

#### **11. 19(157) Annual Report approval and Letter of Representation**

The Board was asked to approve the Letter of Representation prepared by Audit NZ and authorise the Chair and Deputy Chair to sign the letter. The Board recorded the out-of-session approval of the 2018/19 Annual Report.

##### **Resolved**

That the Board:

1. **approved** and duly signed the Letter of Representation prepared by Audit NZ;
2. **noted** the 2018/19 Annual Report was approved out-of-session on 18 October; and
3. **noted** the timeframe for completing the Annual Report and providing copies to the Minister.

Moved: Paul Swain; Seconded: Rebecca Keoghan

#### **12. 19(158) Proposed environmental sustainability principles**

Tania Woodcock joined the meeting for this item. The Board was presented with a paper in response to their request that management develop a overarching environmental sustainability principles and goals for the organisation.

The Board discussed the role of Fire and Emergency as first responders and the impacts of climate change and supported the draft sustainability principles as presented to ensure that we carry out our functions in a safe and sustainable manner.

##### **Resolved**

That the Board:

1. **agreed**, subject to any requested changes, to the proposed sustainability principles set out in this paper
2. **noted** that management will progress with the development of a sustainability plan with recommended actions for the Board's consideration by June 2020.

Moved: Paul Swain; Seconded: Wendie Harvey


#### **13. 19(159) Type 3 Fire Appliance project update**

The Board was provided with a progress update on the Next Generation Type 3 fire appliance acquisition project.

##### **Resolved:**

That the Board:

1. **noted** the update.

  
CHAIR

**14. 19(161) Finance & Investment Committee report back**

The Board was provided with an update on the Finance & Investment Committee (the Committee) meeting held on 16 September 2019 and a copy of the draft minutes of the meeting.

*Resolved*

That the Board:

1. **noted** the update provided.

**15. 19(162) UFBA six monthly update**

Darryl Purdy joined the meeting and provided the Board with the United Fire Brigades Association's (UFBA) six monthly report. The Board noted that management are satisfied that the UFBA have met their reporting obligations for the six-month period to 30 June 2019.

The Board agreed that following the UFBA and FRFANZ Annual General Meetings when the outcome of the proposed merger was known, then the Transitional Advocacy and Support Agreement would be reviewed, together with any discussions around future baseline and contestable funding for ongoing services to support volunteers.

**Resolved**

That the Board:

1. **noted** the contents of the United Fire Brigades Association's (UFBA) six monthly report from 1 January to 30 June 2019;
2. **noted** that management are satisfied that the UFBA has met their reporting obligations for the six-month period to 30 June 2019;
3. **noted** that the Transitional Advocacy and Support Agreement will be reviewed once the outcome of the AGM is known, and that the issues raised in the report will form part of the review; and
4. **agreed** to write formally to the UFBA advising them of the agreed approach.

Moved: Paul Swain; Seconded: Malcolm Inglis

**16. 19(163) Release of personal information report**

The Board was presented with a copy of the internal audit report about the release of personal information to the New Zealand Firefighters' Welfare Society (Welfare Society) at the request of the Board Chair.

The Board noted the circumstances around the breach and requested management provide an update in the next CE's report on legislative compliance and the current project underway to address some of the issues raised in the audit report to provide the Board with more assurance of overall compliance.

A rectangular box containing a handwritten signature and the word "CHAIR" printed below it.

**Resolved**

That the Board:

1. **noted** the findings of the internal audit report and the responses to the recommendations made; and
2. **requested** management provide an update on legislative compliance across the organisation through the next CE's report.

**17. 19(152) Safety Health & Wellbeing monthly report**

Brendan Nally joined the meeting and presented the Safety Health and Wellbeing monthly report. The Board was briefed on the findings of the ACC Accredited Employer Programme annual audit and the interim finding of Secondary level accreditation within the programme. Management were pleased with the particular improvements noted by the auditors for the safety sections of the audit.

**Resolved**

That the Board:

1. **noted** the Safety, Health and Wellbeing monthly report; and
2. **noted** that Fire and Emergency has received a provisional rating of Secondary Level Accreditation following the recent ACC Accredited Employer Programme annual audit

**18. 19(164) Power of Attorney register – six monthly update**

The Board was provided with a copy of the register recording all instances of the signing or execution of documents by Fire and Emergency New Zealand's attorneys in the 6-month period to 15 October 2019, in accordance with Board minute 19(040).

**Resolved**

That the Board:

1. **noted** the register attached as Appendix A, recording 15 instances of the signing or execution of documents by Fire and Emergency New Zealand's attorneys in the 6 months to 15 October 2019.

**19. 19 (165) General Business**

The Board noted the incoming correspondence and requested management prepare a supportive submission to the State Services Commission "Code of Professional Conduct" for review at the November meeting.

The Board updated their availability for attendance at upcoming events and requested any 2020 known events be circulated via email for consideration.

There being no further business the meeting closed at 4.00pm.

Signed as a true and accurate record.

  
CHAIR

  
Paul Swain  
Chair

29 November 2019

Released under the Official Information Act 1982



## Board Minutes

### BOARD MEETING

**Date:** Friday, 29 November 2019

**Time:** 9.00am – 3.45pm

**Venue:** National Headquarters, Level 12, 80 The Terrace, Wellington

#### Present:

Hon Paul Swain	Chair
Rebecca Keoghan	Deputy Chair
Malcolm Inglis	Member
Wendie Harvey	Member
Gwen Tepania-Palmer	Member

#### Apologies:

Te Aroha Cook	Member
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#### In Attendance:

Rhys Jones	Chief Executive
Raewyn Bleakley	Deputy Chief Executive Office of the Chief Executive
Kerry Gregory	Deputy Chief Executive Service Delivery
Russell Wood	Deputy Chief Executive Organisational Strategy and Capability Development
Darryl Purdy	Deputy Chief Executive Finance and Business Operations
Brendan Nally	Deputy Chief Executive People
Janine McLees	Director Integration
Victoria Nelson	LAC Project Manager
Ashley Cornor	Senior Legal Counsel
Piki Thomas	National Māori Advisor
Jenny Stevens	Secretariat

The Board held a closed Board session from 9.00am until 10.00am and then met with the Chief Executive and the Executive Leadership Team in closed sessions until 11.30am.

#### 1. 19(166) Board Members Register of Interest

Gwen Tepania-Palmer advised she no longer held the Deputy Chair, Auckland District Health Board and Health Quality Safety Commission positions and requested they be removed from the Register.

## 2. 19(167) Confirmation of minutes

The minutes of the meeting held on 29 October 2019 were approved as a true and accurate record of the meeting with a minor amendment.

Moved: Rebecca Keoghan; Seconded: Gwen Tepania-Palmer

## 3. 19(168) Chief Executive's report

The Chief Executive presented the monthly report to the Board.

The Board noted the preparation work completed in advance for deployments and the positive impacts that this had to ensure we could respond to requests quickly.

The Board requested an update next month on initiatives that have been undertaken to reduce administrative burden for volunteers.

It was noted that the Deputy Chair would provide to the Deputy Chief Executive, Service Delivery further details around the work being undertaken during Farm X visits and he would explore how to incorporate their framework into the current risk reduction work underway.

The Board acknowledged the work completed to date on the Statutory Disputes Resolution Scheme, noting that management had been working closely with DIA to determine the process by which the Rules can be released for public consultation and meet all Cabinet, Ministerial and Department obligations.

The Board requested management consider preparing an opinion piece for media highlighting the work completed to build the new Fire and Emergency since the establishment on 1 July 2017.

The Deputy Chief Executive, Finance & Business Operations discussed the financial position as presented in the report and noted that a funding options paper would be presented to the Finance and Investment Committee and the Board in December which would look at a range of options including how to fund the response to a large event like the Tasman Fire or the New Zealand International Convention Centre (NZICC) fire at SkyCity. It was noted that the Board would receive an indication of costs of the NZICC fire at SkyCity in the next Chief Executive's report.

### Resolved

That the Board:

1. **noted** the monthly report.

## 4. 19(169) Response to Tasman Fire Operational Review

Kerry Gregory joined the meeting and provided the Board with the key findings from the recently released Operational Review of the Tasman Fires and updated on progress in developing the Action Plan which responds to the 12 recommendations contained in the report.

**Resolved:**

That the Board:

1. **noted** the Independent Review into the Tasman Fires in February 2019 has been completed and publicly released; and
2. **noted** the Independent Review provides 12 recommendations and an Action Plan is currently being developed to implement these with the intention of releasing it publicly by the end of the year.

**5. 19(170) Local Advisory Committees – Selection & Appointment process**

Janine McLees, Victoria Nelson and Ashley Cornor joined the meeting and discussed the options for selecting and appointing members of a Local Advisory Committee (LAC); the roles and responsibilities in this process and provided an overview of the information flow between the roles for each option.

The Board advised that they had discussed this matter in Board only time and they requested management provide a recommendation in future papers, noting that other options had been considered. The Board confirmed Option 1 as the preferred approach, agreed that Gwen Tepania-Palmer would be the Board representative on the Board Evaluation and Appointment Committee which will provide oversight of the evaluation and selection process and report to the Board.

The Board clarified that management would be engaging with Māori leadership to ensure effective Māori representation is included in the selection process and requested that Piki Thomas be involved in the Board Evaluation and Appointment process. In doing this the Board noted Piki's capacity would need to be assessed given the other key responsibilities he has including the delivery of the Māori Outcomes framework.

**Resolved:**

That the Board:

1. **noted** the high-level selection and appointment process options;
2. **agreed** Option 1 for the selection and appointment be used for LAC appointments;
3. **delegated** powers and duties to the DCE Office of the Chief Executive as recommended in this paper;
4. **agreed** that Gwen Tepania-Palmer would be the Board representative on the Board Evaluation and Appointment Committee for Local Advisory Committee appointments;
5. **requested** a paper be provided at the next Board meeting confirming the appointments to the Board Evaluation and Appointment Committee;
6. **noted** the draft evaluation matrix and position descriptions for the LAC chairperson and member roles.

Moved: Paul Swain; Seconded: Wendie Harvey



## **6. 19(171) Local Advisory Committees – Updated Implementation plan**

The Board was provided with an updated implementation plan which was previously approved in principle by the Board on the 26 September 2019. This plan supports the establishment of the first seven Local Advisory Committees (LACs) to meet its Statement of Performance Expectations (SPE) measure in full for 2019/20.

### **Resolved:**

That the Board:

1. **noted** the updated implementation plan to establish seven LACs by 30 June 2020.

## **7. 19(172) Drawdown Document**

Darryl Purdy joined the meeting and verbally updated the Board on the work done to date in preparation of the next Drawdown Document, noting that Malcolm Inglis and Rebecca Keoghan had been involved in this work.

### **Resolved**

That the Board:

1. **noted** the update provided.

## **8. 19(173) Safety Health and Wellbeing monthly report**

Brendan Nally joined the meeting and presented the monthly Safety Health and Wellbeing report.

The Board requested as Officers under Health and Safety legislation they receive the findings and actions plans that have resulted from any Level 2 reports.

The Board requested that they receive the findings and actions plans that management will develop following the ACC Audit, rather than the full audit report which could be presented to the Safety Health and Wellbeing Committee.

The Board requested the inclusion of the 12 month rolling trend be included in future near miss reports.

### **Resolved:**

That the Board:

1. **noted** the Safety, Health and Wellbeing monthly report;
2. **noted** two notifiable events reported to WorkSafe;
3. **noted** the accredited Employer Programme Audit Report Summary of Results; and
4. **requested** the inclusion of the 12 month rolling trend in future “near miss” reports.

#### 9. 19(174) Health standards update

The Board was provided with the external legal advice from Simpson Grierson at the request of the Safety Health and Wellbeing Committee 9(2)(h)

9(2)(h)

#### Resolved:

That the Board:

1. noted the Safety Health and Wellbeing Committee were briefed on this matter; and
2. noted the external legal advice received from Simpson Grierson.

#### 10. 19(175) Safety Health and Wellbeing Committee report back

Wendie Harvey provided the Board with an update on the Safety Health and Wellbeing Committee (the Committee) meeting held on 11 November 2019. The draft minutes of the meeting were provided and the Board asked to note that the Committee will amend or approve the minutes at its February 2020 meeting.

The Board noted the inaugural meeting of the Committee and agreed to include some sessions during the 2020 calendar year with external providers who could assist in increasing members understanding of the legislation and provide confidence and assurance to the Board that the appropriate steps are being taken.

#### Resolved

That the Board:

1. noted the report of the inaugural meeting held 11 November 2019; and
2. noted the draft minutes attached.

#### 11. 19(176) Māori initiatives presentation

Piki Thomas, National Māori Advisor joined the meeting and provided a presentation on the Māori Outcomes programme implementation plan 2019 – 2022. Piki advised that the project team have been recruited and work will commence in 2020. There is a strong commitment to working with tangata whenua and the linkages have been built across the country with Māori leadership and iwi representatives.

The Board acknowledged the leadership of Piki Thomas and the work done by the Māori Advisors across the country to support Fire and Emergency New Zealand's commitment to the Treaty of Waitangi principles, the promotion of Te Reo Māori, the intention to increase Māori recruitment and retention and ensuring that Māori were engaged in fire safety activities as they are over represented in the incidents we attend.

The Board were proud of the commitment to the treaty and te reo across the organisation and looked forward to receiving updates on the Māori Outcomes implementation plan.

**Resolved**

That the Board:

1. **noted** the presentation.

**12. 19(177) Positive Workplace Culture Programme – Evaluation Framework**

Raewyn Bleakley provided the Board with the Monitoring, Evaluation and Reporting Framework for the Positive Workplace Culture Programme noted the two phases to the programme..

**Resolved:**

That the Board:

1. **noted** the Monitoring, Evaluation and Reporting Framework; and
2. **noted** that a Phase 1 Programme Evaluation will be conducted in 2020 followed by a Phase 2 Outcome Evaluation of the Programme in 2022.

**13. 19(178) FireSuper Trustees**

Raewyn Bleakley provided the Board with an update on the FireSuper Trustees recruitment approach to replace Darryl Purdy and the Board requested Raewyn Bleakley arrange interviews with the preferred candidates before the end of the calendar year.

The Board requested Wendie Harvey and Malcolm Inglis conduct the interviews on behalf of the Board and make a recommendation.

The Board discussed correspondence received from Angela Hauk-Willis regarding the remuneration of the Fire and Emergency New Zealand FireSuper Trustee appointees. It was agreed that the base remuneration would increase to \$8,000 per annum and a temporary additional allowance of \$5,000 per annum would be payable during the FireSuper Review process, effective 1 December 2019.

**Resolved**

That the Board:

1. **noted** the update provided;
2. **agreed** to increase the base remuneration for Fire and Emergency New Zealand FireSuper Trustee appointees to \$8,000 per annum with a temporary additional allowance of \$5,000 per annum which would be payable during the FireSuper Review.

Moved: Wendie Harvey; Seconded: Malcolm Inglis

**14. 19(179) Code of Professional Conduct for Crown Entity Board members – submission to SSC**

The Board was presented with a draft letter and asked to approve the Chair of the Board signing the letter to the State Services Commissioner, Peter Hughes in support of the draft Code of Professional Conduct for Crown entity Board members.

**Resolved**

That the Board:

1. **agreed** the Chair sign the letter to the States Services Commissioner, Peter Hughes supporting the draft Code of Professional Conduct for Crown entity Board members.

Moved: Wendie Harvey; Seconded: Rebecca Keoghan

**15. 19(180) Medical emergencies and Provisional Improvement Notice from NZPFU**

Kerry Gregory joined the meeting and provided the Board with an update on the current approach to responses to 'non-purple' medical emergencies, following receipt of a Provisional Improvement Notice (PIN) on 17 October 2019 from the New Zealand Professional Firefighters Union (NZPFU) under the Health and Safety at Work Act 2015 (HSWA).

The Board was updated on the work underway and the discussions with St John, Wellington Free Ambulance and respective unions to assess the level of training and support required for Fire and Emergency personnel to respond to non-purple medical calls. The Board noted the funding of medical responses was a policy issue for Government to consider.

The Board was advised that there is a gap analysis currently underway to identify any gaps in training.

**Resolved**

That the Board:

1. **noted** the update.

**16. 19(181) Managing within 2019 SPE and input for funding review**

Darryl Purdy joined the meeting and provided an update on input into the *Fire and Emergency NZ Funding Review* to support the level of funding requested by the new organisation and the work being undertaken by Fire and Emergency NZ to ensure that it operates within the forecasts in the 2019 SPE and that forecast cash deficits are being managed.

**Resolved**

That the Board:

1. **noted** that we are continuing to develop input as part of the *Fire and Emergency NZ Funding Review* to support the level of funding to be requested by the new organisation.

2. **noted** that input to the *Fire and Emergency NZ Funding Review* will have three components: (a) Drivers for Change; (b) Value Added; and (c) Benchmarking. This will also include an assessment of potential funding options.
3. **noted** that as funding levels are likely to be fixed<sup>1</sup> until the *Fire and Emergency NZ Funding Review* has been completed, the organisation is working to ensure that Fire and Emergency NZ is able to manage within the 2019 SPE forecast over the next 2-3 years.
4. **noted** that given the range of expectations that have built up around the new organisation there is a risk that staff and community anticipate a higher level of activity, resources and deliverables over a shorter timeframe than can be funded.
5. **agreed** that the Board and ELT should ensure that formal and informal commitments and communications on operating and capital plans are consistent with what can be afforded within the current financial parameters.

Moved: Malcolm Inglis; Seconded: Paul Swain

### 17. 19(182) Levy Value story

Russell Wood & Darryl Purdy joined the meeting and provided an overview of the Fire and Emergency approach to and possible content for telling its Levy Value Story and noted that the item would be included on the December Board agenda for further discussion.

Darryl Purdy advised the Board that Shamubeel Equb, Economist had been engaged to provide some analysis of the social and economic benefits of Fire and Emergency to New Zealanders. The analysis would be completed by February 2020.

#### Resolved

That the Board:

1. **noted** that a verbal progress report of the Fire and Emergency Levy Value Story will be provided at the November Board meeting, with supporting collateral for review and discussion.

### 18. 19 (183) Approval – Ilam Fire Station and Fire training and education facility

Russell Wood joined the meeting and sought Board approval of a total project budget and the awarding of a construction contract for the new Ilam Fire Station and Fire Engineering Training Facility to be established on the previously purchased site from the University of Canterbury at 79 Creyke Road and 3, 5, 7 and 9 Montana Avenue, Ilam, Christchurch. This project is part of the Greater Christchurch Rebuild programme of works.

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<sup>1</sup> funding is forecast to increase by 2% per annum due to increases in levy volumes and insured values

**Resolved**

That the Board:

1. **approved** a total capex budget of **\$8,600,214** (excluding GST) which includes all site clearance and ground improvement costs, construction costs, professional fees, consents fees, all costs to date and contingencies for the construction of the new Ilam Fire Station and Fire Engineering Training Facility.
2. **approved** the awarding of a construction contract to Cook Brothers Construction Canterbury Ltd for a value of **9(2)(b)(i)** (excluding GST).

Moved: Malcolm Inglis; Seconded: Rebecca Keoghan

**19. 19 (184) Gas Detection equipment project update**

Kerry Gregory and Russell Wood provided the Board with an overview in preparation for the gas detection project business case, which is expected to be presented at the February or March 2020 Board meeting. The business case will be presented to the Board due to the cost of the project exceeding 420M.

The Board noted that the project involves purchasing technical equipment and thus involves a degree of scientific and technical complexity; while also addressing multiple organisational risks and user requirements.

The Board noted from a health and safety perspective that this was the correct thing to do.

**Resolved:**

That the Board:

1. **noted** that the gas detection business case will be presented to the Board in early 2020; and
2. **noted** the organisational risks that the Business Case will address.

**20. 19 (185) Audit and Risk Committee report back**

Malcolm Inglis provided the Board with an update on the Audit & Risk Committee (the Committee) meeting held on 17 September 2019 and a copy of the draft minutes of the meeting.

**Resolved:**

That the Board:

1. **noted** that the update provided.

**21. 19 (186) Committee roles and functions post Finance & Investment Committee cessation**

The Board Chair asked Malcolm Inglis to review the roles of and functions of the Finance and Investment Committee following the Board decision to disband the Committee effective 30



December 2019 and recommend to the Board if any of the Committee objectives should be picked up in other Committees.

The Board agreed that the procurement policy and compliance with good practice and the financial risk management be included on the Audit and Risk Committee Terms of Reference and the Board would receive the annual budgets and investment performance directly to the Board.

The Terms of Reference for the Audit and Risk Committee would be updated and provided to the Board for approval at the December meeting.

## **22. 19 (187) General Business**

The Board noted the correspondence sent since the last meeting; and the Chair provided an update on a request from the Old Flames Club to use a phoenix logo which they had previously used in the 1990s which was agreed to.

The Chair also advised the Board that he was meeting with the UFBA Chief Executive and Chair to commence discussions on the interim arrangements, review the relationship and discuss a three year funding model. The Chair would keep the Board informed of that meeting.

There being no further business the meeting closed at 3.45pm.

Signed as a true and accurate record.



Paul Swain  
Chair

20 December 2019



## Board Minutes

### BOARD MEETING

**Date:** Friday, 20 December 2019

**Time:** 8.00am – 1.44pm

**Venue:** National Headquarters, Level 12, 80 The Terrace, Wellington

#### Present:

Hon Paul Swain	Chair
Rebecca Keoghan	Deputy Chair
Te Aroha Cook	Member
Wendie Harvey	Member
Gwen Tepania-Palmer	Member

#### Apologies:

Malcolm Inglis	Member
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#### In Attendance:

Rhys Jones	Chief Executive
Raewyn Bleakley	Deputy Chief Executive Office of the Chief Executive
Kerry Gregory	Deputy Chief Executive Service Delivery
Russell Wood	Deputy Chief Executive Organisational Strategy and Capability Development
Darryl Purdy	Deputy Chief Executive Finance and Business Operations
Brendan Nally	Deputy Chief Executive People
Janine McLees	Director Integration
Victoria Neilson	LAC Project Manager
Ashley Corner	Legal Counsel
Cathryn Moriarty	Strategy and Planning Manager
Tania Woodcock	Interim Policy Director
Amelia Dalley	Secretariat

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The Board held a closed Board session from 8.00am until 9.00am.

#### Resolved

That the Board:

1. **noted** that subject to final review by Board members, Rhys Jones will be offered an employment agreement beginning 1 July 2020 for a period of two years.



Moved: Wendie Harvey; Seconded: Gwen Tepania-Palmer

### **1. 19(188) Board Members Register of Interest**

No updates.

### **2. 19(189) Confirmation of minutes**

The minutes of the meeting held on 29 November 2019 were approved as a true and accurate record of the meeting.

Moved: Te Aroha Cook; Seconded: Gwen Tepania-Palmer

### **Action Log updates**

The Board noted that Action 135 should be updated to reflect the adopted minute.

The Board advised it would meet with management early in 2020 to discuss principles for how the Board papers will be developed and the Board process generally. The Board noted its need to create a calendar which includes professional development for Board members.

### **3. 19(190) Chief Executive's report**

Rhys Jones presented the Chief Executive's report to the Board.

The Board noted that Liz Sinclair had finished as the Chair of the National Women's Advisory Council and that Bridget White has taken up the role. The Board noted that a letter of thanks and certificate of service would be sent to Liz for her work as the Chair.

The Board discussed the work being undertaken to recruit more women as career firefighters and noted that there is more Fire and Emergency can be doing. Management advised that this is being looked at, and that more active recruitment will be needed due to dropping numbers of people applying. The Board was advised that women make up five percent of career firefighters which makes Fire and Emergency one of the highest internationally. The Board discussed the Boot Camp initiative which is supporting applicants improve both their strength and technique to assist them to pass the Physical Competency Assessment.

The Board noted a submission was made to the Environmental Protection Authority (EPA) on proposed amendments to the HSNO Fire Fighting Chemical Group Standar 2017 and requested an update on when Fire and Emergency expects to hear back from the EPA.

The Board noted the proactive communications, particularly the summer campaign and the videos published as part of the Positive Workplace Culture Programme.

Rhys Jones advised that he had sent a note of condolence to New South Wales Rural Fire Service on behalf of Fire and Emergency following the death of two firefighters battling bush fires at Green Wattle Creek.

Darryl Purdy joined the meeting and provided the Board with the financial update. The Board was advised that overall levy revenue is tracking ahead of budget. Expenditure is tracking to budget, noting the variation in payroll and amortisation and depreciation. Work is being undertaken to understand the causes of the payroll variation.

The Board was advised that management's focus is on the out-years and managing underlying fixed cost structures, which was discussed at the Finance and Investment Committee on 19 December 2019. The Board was advised that the biggest risk to the financial position is vegetation fire. The risk has been dampened by the rain but the fire risk is likely to rise in January/February 2020. The Board noted it is scheduled to have a discussion in February on the financial position and the Chair encouraged members not on the Financial and Investment Committee to read the papers as background in preparation for this.

The Board discussed the progress of the Fire and Emergency Funding Review being led by the Department of Internal Affairs and the risk of delay to Fire and Emergency's financial position.

The Board was advised that modelling for the impact of wildfire looks at past costs, however management is aware that this won't be a good predictor for the future and is working to develop a predictive model. Current models assume only one significant event per year, multiple events would have a significant impact on Fire and Emergency's ability to replenish its cash stocks and would need assistance to fund significant events year on year. The Chair advised the Board a letter would be written to the Minister to advise of this risk.

The Board was updated on the Holiday Act remediation work and was advised that further issues have been identified by the project team. Fire and Emergency has already made provision for \$11m and likely to be further remediation costs before the project can be closed out. This is due to the complexity of the issue.

**Actions:**

- Board to write a letter of thanks and prepare a certificate of appreciation for Liz Sinclair for her time as the Independent Chair of the National Women's Advisory Committee.
- Board to be provided with a future update on the initiatives to increase the successful participation of women in recruitment.
- Board requested an update on the work being undertaken on the Firefighting Chemicals Group Standard by the Environmental Protection Authority.
- Board to write a letter to the Minister to advise of the impact of a significant fire(s) on Fire and Emergency's financial position.

**Resolved**

That the Board:

1. **noted** the monthly report
2. **noted** the Board will write to the Minister to advise of the impact of a significant fire(s) on Fire and Emergency's financial position.

#### **4. 19(191) Drawdown Application**

Darryl Purdy provided the Board with a verbal update on the development of the drawdown application document. The Board was advised that work has been undertaken to develop the underlying rationale for the application and the overall fiscal picture.

The application will be completed in January and be submitted to the Department of Internal Affairs and the Treasury in February 2020. If approved, the funding will be received by 20 June 2020.

*The Board held a closed session from 9:55am to 10:10am.*

#### **5. 19(192) Local Advisory Committees**

Janine McLees, Victoria Nelson and Ashley Cornor joined the meeting and discussed the following Local Advisory Committee (LAC) papers with the Board. The Board noted its overall comfort with the work undertaken to establish the LACs.

##### **5.1 19(193) Operating Principles**

The Board was provided with the updated LAC operating principles for consideration and approval. The Board provided minor feedback on the operating principles.

##### **Resolved:**

That the Board:

1. **approved** the proposed Local Advisory Committee operating principles as amended.

Moved: Gwen Tepania-Palmer; Seconded: Wendie Harvey

##### **5.2 19(194) Remuneration**

The Board was provided with proposed fees to remunerate LAC members and the committee chair, for consideration and approval.

The Board was advised that the State Services Commission advice was to offer remuneration at the mid-range. The Board clarified that the day rate had been calculated based on the estimated time required for a LAC committee member. The estimated engagement is 20 days, which includes four meetings a year, and preparation time for these and other activities. The Chair's rate includes an additional 2 days of meetings and allows 1.5 days of time to participate in these.

The Board expressed concern that some LACs may find its members requiring more time to prepare for meetings and needing to ensure there are appropriate controls in place to manage this. The Board agreed the engagement time would be set as estimated and reviewed at the end of the first year of operation to ensure there was sufficient information on which to base the review.

It was confirmed by legal counsel that the level the fees are sitting at within the Cabinet Fees Framework is appropriate.

The Board discussed whether iwi radio and publications could be used to further promote nominations for LACs.

**Actions:**

- Management to consider the use of iwi radio and publications can be used to promote Local Advisory Committee nominations.

**Resolved:**

That the Board:

1. **approved** the proposed fees at the mid-range for Local Advisory Committee members and Chairs as set out in the paper and sound governance processes and review at conclusion of the first 12 months that have been developed in line with the Cabinet Office Circular CO (19) 1, dated 17 June 2019.

Moved: Rebecca Keoghan; Seconded: Te Aroha Cook

### 5.3 19(195) Terms of Reference

The Board was asked to approve the LAC Terms of Reference.

The Board asked whether the operating principles are binding on the LAC members and how they interact with Fire and Emergency's operating principles. Management advised that they are not binding and that as the LACs are independent of the organisation it would not be appropriate to include but noted that they are not inconsistent.

The Board provided minor feedback on the terms of reference. The Board agreed that there should not be reserved places for special interest groups but that the analysis of representation should be completed at the time of making appointments to achieve diversity of representation across communities. The Board also agreed to include that any removal from office would be in accordance with the principles of natural justice.

**Resolved:**

That the Board:

1. **approved** the terms of reference as amended, and
2. **noted** that once approved the terms of reference for the Local Advisory Committee will be included in the Local Advisory Committee members pack and related induction collateral.

Moved: Rebecca Keoghan; Seconded: Wendie Harvey

### 5.4 19(196) Establishment of Evaluation and Appointment Committee

The Board was asked to approve the establishment of the Evaluation and Appointment Committee.

The Evaluation and Appointment Committee will exercise delegated functions, duties and powers in relation to the appointment of LAC members, in accordance with the Fire and Emergency New

Zealand Act 2017 (Act) and the Fire and Emergency New Zealand (Local Advisory Committees) Regulations 2018 (Regulations).

**Resolved:**

That the Board:

1. **appoint** a committee, to be known as the 'Evaluation and Appointment Committee' (Committee), under Schedule 5, cl 14(1)(b) of the Crown Entities Act 2004 with the following members:
  - (a) Gwen Tepania-Palmer (Committee chairperson)
  - (b) Deputy Chief Executive Office of the Chief Executive, Fire and Emergency New Zealand
  - (c) Deputy Chief Executive Service Delivery, Fire and Emergency New Zealand, and
  - (d) Pou Herenga Māori National Advisor Māori, Fire and Emergency New Zealand<sup>1</sup>
2. **approved** the proposed terms of reference for the Committee set out in Appendix 1, and
3. **delegated** the following powers and duties to the Committee, for the limited purpose of determining the shortlist of LAC member nominees who will be interviewed and then considered for appointment by the Board:<sup>2</sup>
  - (a) the duty under reg 6(1)(b) of the Regulations to consider every nomination received by the closing date and time for nominations
  - (b) the duty under reg 6(3) of the Regulations to select members to be appointed from amongst the nominations received
  - (c) the power under reg 7(1) of the Regulations to appoint LAC members<sup>3</sup>, and
  - (d) the duty under s19 of the Act to have regard to certain matters for the purposes of appointing LAC members.

Moved: Rebecca Keoghan; Seconded: Wendie Harvey

**6. 19(197) Safety Health and Wellbeing monthly report**

Brendan Nally joined the meeting and presented the monthly Safety Health and Wellbeing report. The Board was advised that Fire and Emergency has supplied all requested information to WorkSafe

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<sup>1</sup> Refer to note (c) Committee membership on page 3

<sup>2</sup> The Board retains the power to make final LAC member appointments, from the shortlist determined by the Committee.

<sup>3</sup> Delegation of this power is necessary to enable the Committee to determine a shortlist of LAC nominees: this is effectively a negative exercise of the power of appointment (i.e. it involves a decision to exclude some LAC nominees from further consideration for appointment).

NZ regarding the notifiable incident that occurred at the New Zealand International Convention Centre fire at SkyCity. WorkSafe NZ has advised it has not yet identified any significant concerns.

The Board requested an update on the incident where a volunteer broke their arm. The Board was advised of the cause that had been identified and that the investigation would be closed at the end of January 2020. A copy of the Level 2 investigation report was tabled.

The Board discussed the Statement of Performance Expectations measure of having 70 percent of leaders by position or influence to have completed the psychological wellbeing workshop. The Board was advised that there is strong demand for the workshop but not all of it from leaders as identified in the SPE measure and Fire and Emergency is unlikely to meet the target as defined in the SPE without turning away demand for the workshop. The Board agreed that management should begin conversations with the Department of Internal Affairs to discuss seeking a variation to the SPE measure to ensure the workshops are delivered where they are most needed.

Management advised there was a Level 2 investigation showing as a fracture that is now known to not be a fracture. All Level 2 investigations are progressing. The Board noted that a solution has been implemented to prevent a recurrence of an incident that involved a firefighter falling and getting caught between a ladder and a wall at the National Training Centre. This was observed by the Chair when attending graduation.

The Board discussed an incident attended by our personnel that involved an unexploded device in a mine and was advised that WorkSafe NZ is investigating. The Board noted that Fire and Emergency would also be undertaking an internal investigation and requested that the investigation report be provided to the Board.

The Board noted the need for the Safety, Health and Wellbeing Committee to undertake professional development training early in the New Year and that this should be included in the Board calendar that will be developed.

The Board noted the 12-month rolling injury information highlights the need for good contractor management. Management advised it is taking a different approach to that originally outlined and will be engaging external specialists following an external review.

**Actions:**

- Discuss with DIA whether a variation can be made to the SPE measure and report back to the Board on the outcome of the discussion.
- Provide the Board with the investigation report into the incident involving an unexploded device.
- Management to develop an education programme in consultation with Stacey Shortall to ensure the Board are fulfilling their governance obligations.

**Resolved:**

That the Board:

1. **noted** the monthly update, and
2. **agreed** that management discuss with the Department of Internal Affairs a variation to performance measure 4.1.2 in the 2019/20 Statement of Performance Expectations.

**7. 19(198) Deloitte report – Payroll investigation**

Darryl Purdy presented the final condensed draft report from Deloitte on the investigation into the payroll 'double payment' issue as reported to the Audit and Risk Committee. In addition to the investigation, Deloitte was asked to identify immediate measures that could be taken to stop the issue occurring.

Management advised that there are a number of recommendations that are a wide ranging to address the issues with Fire and Emergency's systems and system interfaces. It was noted that options have been provided, including that a specialist rostering tool may be required which would become a contract issue with NZPFU that management have been engaging with them on.

Management advised that an external project team is being set up and will be considering the cost and timeframes for remediation.

**Resolved**

That the Board:

1. **noted** the final draft report, and
2. **noted** that the Audit and Risk Committee have considered this report.

**8. 19(199) Governance manual work**

The Board was provided with the proposed work programme in relation to the development of additional governance policies, procedures and protocols. The Board noted it followed the adoption of the governance manual early in the year and that management had undertaken to come back to the Board with a proposed programme of work.

The Board noted its comfort with the proposed programme of work. The Board discussed its commitment to undertaking an independent evaluation of the Board and its members as part of its performance improvement process. The Board asked management to consider whether the review could be completed earlier in the calendar year. Management committed to looking at the timeframes.

The Board asked why it needed a specific Board policy on travel expenditure and gifts and whether it could be subject to the same policies as the organisation. Management advised that it understood there was specific guidance for Boards on these from the State Services Commission and that management would provide advice on whether any specific differences needed to be considered.

### Actions

- Management to provide advice on timeframes for completing the independent Board evaluation.

### Resolved:

That the Board:

1. **approved** the work programme.

Moved: Wendie Harvey; Seconded: Rebecca Keoghan

### 9. 19(200) Audit and Risk Committee Terms of Reference

The Board was asked to approve the updated terms of reference for the Audit and Risk Committee following the disestablishment of the Finance and Investment Committee, as requested at the November Board meeting (minute 19(186) refers).

The Board noted that Malcolm Inglis had expressed his support for the adoption of these terms of reference.

The Board noted it is not a full review of the terms of reference and the changes are to reflect the disestablishment of the Finance and Investment Committee.

### Actions

- Wendie Harvey and Malcolm Inglis to discuss the interface of the Safety, Health and Wellbeing and Audit and Risk Committee Terms of References.
- Management to provide a paper on the current status of fees set and paid by the Board and any review recommendations.
- Management to advise Peter Taylor it will be considering the fees set.

### Resolved:

That the Board:

1. **noted** the inclusion of the following in the Audit and Risk Committee Terms of Reference:

*Under the 'Objectives' heading:*

The following new objective, which runs on from the stem words '... it achieves this by reviewing':

- Controls and risks in relation to Fire and Emergency's investment activities.

*Under the 'Internal control' heading (underlined text is additional to the current language in the Finance and Investment Committee terms of reference):*

- Review and make recommendations to the board for adoption of Fire and Emergency New Zealand's procurement framework, policies and plans in line with government



procurement policy and practice (including the Government Rules of Sourcing and other Ministerial directions to support a whole of government approach).

*Under the 'Risk management' heading:*

- Consider and advise the board on the financial implications and any significant financial risks associated with new investment activities.

2. **approved** the amended terms of reference.

Moved: Paul Swain; Seconded: Gwen Tepania-Palmer

#### **10. 19(201) FireSuper Deed Amendment**

The Board was asked to approve and execute a deed amending the trust deed for the New Zealand Fire Service Superannuation Scheme (FireSuper).

##### **Resolved:**

That the Board:

1. **noted** the *attached* correspondence from FireSuper's solicitors, DLA Piper, proposing to reinstate a provision in the FireSuper trust deed that will protect certain FireSuper members from some of the impacts of personal bankruptcy;
2. **noted** that the provision was part of earlier FireSuper trust deeds, but was inadvertently omitted when the trust deed was replaced in 2016;
3. **noted** that DLA Piper's correspondence has been sent on the instructions of the FireSuper corporate trustee, which has nominee directors appointed by both Fire and Emergency and the New Zealand Professional Firefighters' Union, along with an independent director who is also the licensed independent trustee for FireSuper;
4. **agreed** to the proposal to amend the FireSuper trust deed in the manner set out in the *attached* amendment deed; and
5. **authorised** the Chair and one other board member to sign two copies of the amendment deed on behalf of Fire and Emergency.

Moved: Rebecca Keogh; Seconded: Wendie Harvey

#### **11. 19(202) FireSuper Trustee appointment**

Interviews for a replacement director to the Board of the FireSuper Trustee Limited (the Trustee Company) were undertaken to replace Darryl Purdy as a director. The Board noted that Martin Dalgleish was the preferred candidate and the Board interview panel had received satisfactory referee checks.

## Actions

- Rebecca Keoghan to write to Martin Dalglish, Darryl Purdy, Nick Leggett and the FireSuper Chair to advise of the appointment

## Resolved

That the Board:

1. **agreed** to appoint Martin Dalglish as director of the Trustee Company, from 1 January 2020
2. **agreed** to remove Darryl Purdy as a director of the Trustee Company, from 1 January 2020
3. **agreed** that, unless his appointment is ended sooner Martin Dalglish's term of appointment will be 3 years, ending on 31 January 2023
4. **noted** that:
  - (a) Martin Dalglish would be advised of his appointment and term
  - (b) Darryl Purdy would be advised of the appointment and thanked for his service as director, and
  - (c) Denis Fitzmaurice, Chair of the Trustee Company's board, would be advised of the appoint and asked to arrange the necessary Companies Office formalities to record

Moved: Rebecca Keoghan; Seconded: Te Aroha Cook

## 12. 19(203) Funding Options for Operating Model

Darryl Purdy presented options for the consideration of the Board in regards to the level of resourcing and costs which will be submitted to the Fire and Emergency New Zealand Funding Review during the first quarter of 2020.

The Board noted this was discussed at the Finance and Investment Committee meeting on 19 December 2019. The Board was provided a high-level summary of the discussion at the Finance and Investment Committee meeting, including the discussion about the need to further test the scoring of the options and the discussion on the sale and lease back option.

The Board noted that the paper identifies the risk of multiple significant events on the financial position of Fire and Emergency.

The Board noted the discussion and that it would be further discussed in February 2020.

Management advised that the Board may wish to consider putting in place a flexible cash facility that can be drawn on if needed in the very short term, noting there is a cost associated with this. The Board agreed it would be a prudent measure to put in place and noted that Ministerial approval has been provided for borrowing up to \$10m. The Board agreed that management should progress exploring the possibility of this being increased to \$25m.

## Actions

- Management to establish a line of credit to access up to \$10m of borrowing for contingency of major events.
- Management to undertake work to enable Fire and Emergency to seek approval from the Minister to borrow up to \$25m for contingency of major events.

## Resolved:

That the Board:

1. **noted** that this discussion paper has been developed to assist Board thinking on funding options prior to being asked to make decisions in the first quarter of 2020 on the level of resourcing and costs which will be submitted to the *Fire and Emergency New Zealand Funding Review*.
2. **noted** that the range of possible funding options will depend on the level of expenditure required. This paper is modelled on the 2019 SPE forecasts and unadjusted capital expenditure in the SAMP. On this basis the analysis in this paper indicates that the preferred option is *option 2: operate within existing levies*.
3. **discuss** the funding options outlined in this paper with a view to indicating the Boards preference in February 2020. This will then be developed into a proposed funding strategy which will also be submitted to the *Funding Review Team*.
4. **noted** that Fire and Emergency has Ministerial approval for up to \$10m of borrowing for contingency of major events.
5. **authorised** management to establish a line item to access up to \$10m of borrowing for contingency of major events.
6. **requested** management undertake work to enable Fire and Emergency to seek approval from the Minister to borrow up to \$25m for contingency of major events.

Moved: Rebecca Keoghan; Seconded: Wendie Harvey

### 13. 19(204) Rural Costs – draft Deloitte report

Darryl Purdy presented the Board with the draft Deloitte report estimating the annual costs of rural fire services. The Board noted the limitations of the report and supported further work being undertaken as recommended by the report.

At a high level the report has found that rural assets have required three times the level of investment estimated prior to the formation of Fire and Emergency. The Board noted that the estimation method used prior to the formation of Fire and Emergency had its limitations and wasn't a full condition assessment.

The Board noted that the discussion at the Finance and Investment Committee on 19 December 2019 had a strategic focus and gave the Committee confidence that management is working collectively on these issues. The Board passed on its thanks to management for this.

Released under the Official Information Act 1982

## Resolved

That the Board:

1. **noted** that the Martin Jenkins report estimated the annual costs<sup>4</sup> of rural fire services to be \$26.1m
2. **noted** that the actual costs of rural fire services have been \$57.7m for 2017/18 and \$73.3m for 2018/19<sup>5</sup>
3. **noted** that the key finding of the Deloitte review is that the actual cost for rural fire services in 2018/19 was nearly three times as much as the Martin Jenkins estimate
4. **noted** that the cost drivers of the increased rural fire service costs are ICT, radios, vehicles, stations, equipment, maintenance, training, management and staff
5. **noted** that the increase in actual cost is due to upgrades and enhancement that were not anticipated in the Martin Jenkins report.

### 14. 19(208) IL4 building status update

Russell Wood updated the Board on work being undertaken to clarify Fire and Emergency's ability, if any, to determine the 'importance level' (IL) of its buildings for the purposes of the New Zealand building code.

The Board noted this work is about taking a risk based approach and the need to ensure this is understood.

#### Actions

- Board will receive an update at its February 2020 meeting setting out the options, risks, and cost implications of whether operational facilities can be categorised as something other than IL4.

## Resolved

That the Board:

1. **noted** that work is underway to explore whether Fire and Emergency operational facilities can be categorised as something other than IL4 and, if so, in what circumstances that may be possible, and
2. **noted** that the Board will receive a further paper for its February 2020 meeting setting out the options, risks, and cost implications.

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<sup>4</sup> operating and capital costs

<sup>5</sup> this excludes Tasman fire costs

### 15. 19 (209) Board approval conditions: Darfield, Paparoa and Lake Okareka developments

Russell Wood asked the Board to confirm their satisfaction with Board approval conditions associated with the development of new fire stations at:

- 25 North Terrace, Darfield (acquisition of land)
- 2062-2070 Paparoa Valley Road, Paparoa (35-year lease of land)
- 25 Loop Road / 1 Acacia Road, Lake Okareka (33-year lease of land, with right of renewal for a further 33 years)

The Board asked about the flooding risk at the Darfield site. Management confirmed the station floor will be required to be raised 200mm to mitigate the risk of flooding in the building.

#### Resolved

That the Board:

1. **approved** the agreements entered into for each of the new Darfield, Paparoa, and Lake Okareka fire stations;
2. **approved** the land covenant to be granted in favour of the Selwyn District Council in relation to the new Darfield site; and
3. **authorised** the National Property Manager to confirm satisfaction of the Board approval condition to the other party to each agreement.

Moved: Paul Swain; Seconded: Gwen Tepania-Palmer

*The Board held committee only time prior to lunch.*

*Lunch 12 – 12.48pm*

### 16. 19(205) Update on Levy Value Story

Russell Wood, Tania Woodcock and Cathryn Moriarty joined the meeting. Russell Wood presented the Board with an overview of the Fire and Emergency approach to, and possible content for, telling its Levy Value Story.

Management advised that further qualitative work is being undertaken and that branches are working collaboratively to bring the story together.

The Board noted the good quality of the draft and requested that examples be included. The Board asked when the document would be completed and who the intended audience is. Management advised that it will primarily support Phase 2 of the Fire and Emergency funding review and can be used with other stakeholders, such as LACs.

The Board noted that at the formation of Fire and Emergency it was expected there would be efficiencies from bringing the rural fire services and New Zealand Fire Service together and this story is important to demonstrate the value that has been created through the formation and capital injection from the Crown. It also assists with telling the story of next steps to unification and the risks that are posed by living within the existing funding constraints. The Board noted that Fire and

Emergency is a new organisation established to tackle new challenges and this needs to be clear through examples and highlighting what can be achieved within different funding options.

The Board was advised that management would amend the draft work based on the feedback provided and then test it with key stakeholders in preparation for discussion at the Annual review of Fire and Emergency by the Governance and Administration Committee.

#### **Resolved**

That the Board:

1. **provided** comment and further guidance on the A3 presentations content and presentation format to enable further development of the value story to occur in preparation for Phase 2 of the Fire and Emergency Funding Review.

#### **17. 19(206) 10 year plan progress update**

Russell Wood provided the Board with a presentation on the development of the 10-year plan for Fire and Emergency New Zealand. The presentation covered a summary of the work that has been undertaken to date and noted the limitations of progressing this work while the organisation is undertaking unification and a funding review is underway.

The Board discussed the progress and provided high-level feedback on the work, primarily the Board noted its desire to see the 10-year plan aligned to other planning and strategy work and needing to reflect the organisation's whakatauki 'he waka eke noa'.

#### **Actions**

- Board members to provide any feedback to the Chair to pass onto management.

#### **Resolved:**

That the Board:

1. **noted** that the development of a 10-year plan for Fire and Emergency New Zealand is underway, and
2. **noted** that a 10-year plan Board workshop is scheduled for 27 February 2020.

#### **18. 19(207) Development of Statement of Intent and Statement of Performance Expectations**

Russell Wood provided an update on the development of two of the organisation's key statutory accountability documents: the Statement of Intent (SOI) and Statement of Performance Expectations (SPE). Both are due to be produced for 30 June 2020.

Management advised that the aim is to bring both documents to the Board for adoption at the same time. There is unlikely to be many new items in the SOI and noted that the Board do have the option to update sooner than the life of the document if necessary. The Board provided minor feedback, noting that the documents need to continue to evolve to move away from the focus of the former Fire Service.

**Resolved:**

That the Board:

1. **review** the outline documents provided at Appendix A and B
2. **noted** that the two documents will be submitted to you as one package throughout the development and approval process, and
3. **noted** the timeline for review and approval of these documents.

**19. 19 (210) Audit and Risk Committee report back**

Paul Swain, on behalf of Malcolm Inglis provided the Board with an update on the Audit and Risk Committee (the Committee) meeting held on 11 December 2019 and a copy of the draft minutes of the meeting.

**Resolved:**

That the Board:

1. **noted** the report.

**20. 19 (211) General Business**

The Board noted that the correspondence with the Minister will be included in the paper for the February Board meeting.

The Board discussed publishing its minutes on the Fire and Emergency website and agreed to this occurring, with redactions consistent with the Official Information Act.

**Actions**

- Email a list of events to the Board in January to confirm attendance.

There being no further business the meeting closed at 1.44pm.

Signed as a true and accurate record.



Paul Swain

Chair

27 February 2020





## Board Minutes

### BOARD MEETING

**Date:** Friday, 28 February 2020

**Time:** 8.00am – 2.20pm

**Venue:** National Headquarters, Level 12, 80 The Terrace, Wellington

#### Present:

Hon Paul Swain	Chair
Rebecca Keoghan	Deputy Chair
Te Aroha Cook	Member (left the meeting at 1.30pm)
Wendie Harvey	Member
Malcolm Inglis	Member
Gwen Tepania-Palmer	Member

#### In Attendance:

Rhys Jones	Chief Executive
Raewyn Bleakley	Deputy Chief Executive Office of the Chief Executive
Kerry Gregory	Deputy Chief Executive Service Delivery
Russell Wood	Deputy Chief Executive Organisational Strategy and Capability Development
Darryl Purdy	Deputy Chief Executive Finance and Business Operations
Brendan Nally	Deputy Chief Executive People
Jenny Stevens	Secretariat

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The Board held a closed Board only session from 8.00am until 9.00am, and meet with the Chief Executive in a closed session until 10.15am.

#### 1. 20 (001) Board Members Register of Interest

Members updated the Register of Interest with the following:

- Paul Swain registered his interest as a shareholder of Hutt & City Taxis
- Rebecca Keoghan noted that the Forest Group Holdings had been disbanded
- Malcolm Inglis noted that he was no longer the external Member of the Risk and Audit Committee - Whanganui District Health Board

## 2. 20(002) Confirmation of minutes

The minutes of the meeting held on 20 December 2019 were approved as a true and accurate record of the meeting with the addition of the words in italics below.

### Resolved:

That the Board:

1. **approved** the proposed fees at the mid-range for Local Advisory Committee members and Chairs *as set out in the paper* and sound governance processes and review at conclusion of the first 12 months that have been developed in line with the Cabinet Office Circular CO (19) 1, dated 17 June 2019.

Moved: Rebecca Keoghan; Seconded: Te Aroha Cook

The Board requested the inclusion of "for contingency of major events" be added at the end of 19(203) Funding Options for Operating Model resolutions 4, 5 and 6 as per the recorded actions.

Moved: Wendie Harvey; Seconded: Rebecca Keoghan

### Action Log updates

Raewyn Bleakley advised the Board that Stacey Shortall has confirmed her attendance at the March 2020 Board meeting from 1.00pm – 2.00pm as the first Safety Health and Wellbeing refresher for Board members.

The Board was advised that MinterEllison will also prepare two options for consideration regarding conducting an external review to provide the Board with the assurance that they are seeking to fulfil their governance obligations. This will be presented at the March 2020 Board meeting.

## 3. 20(003) Chief Executive's report

Rhys Jones presented the Chief Executive's report to the Board and advised that since the writing of the report, there had been a third residential fire fatality.

The Board acknowledged the condensed report provided was in line with its recent request.

### Resolved

That the Board:

2. **noted** the monthly report.

## 4. 20(004) Financial update

Darryl Purdy joined the meeting and provided the Board with the quarterly financial update for the year-to-date ended 31 January 2020.

The Board noted the financial position remains positive with a year-to-date surplus of \$20.1 million at 31 January, \$15.6m better than forecast. The positive result is due to levy revenue and underspends against clothing and equipment, ICT and depreciation. Subject to some timing adjustments, all four of these areas of positive variance are expected to carry through to year end,

and this is reflected in the annual forecast. This result is subject to unbudgeted costs for wildfires and large incidents.

The Board was advised that expenditure is \$7.8 million below budget year-to-date, however this underspend is forecast to reduce to \$2.6 million by the end of the financial year. The reduction in the underspend is mostly due to a continuation of the negative variances in career stations' payrolls.

It was noted that management efforts to understand the variances has led to the discovery that there are more staff on Return to Work Duties (RTWD) than previously reported. This information has been shared with the Service Delivery and People branches for them to seek a longer term solution, although it is not expected to change the financial position in the short term.

The Board noted the overall cash balance is currently \$11.0 million over budget at \$144.7 million due to a year-to-date underspend in capital expenditure, lower payments to other suppliers over the holiday season and more levy collected than budgeted.

Darryl Purdy informed the Board that he was currently doing some modelling on levy growth year-on-year and he would come back to the Board with some advice around what percentage increase should be factored into future budgets. Management was also reviewing our current projects and initiatives and the ability of the organisation to execute the deliverables.

The Board was informed of the current health and safety related project costs which are estimated to be around \$45 - \$50 million and, while management acknowledge that the safety of our people will always be the first priority, the costs need to be considered alongside other projects as there is a very strong expectation culture within the organisation and these expectations may need to be managed.

**Actions:**

- Darryl Purdy to provide advice to the Board (out of meeting cycle) on the negative \$25 million reported in the detailed financial statements cash forecast.

**Resolved**

That the Board:

1. **noted** the quarterly financial update for the year-to-date ended 31 January 2020.

**5. 20(005) Safety, Health and Wellbeing Monthly Update**

Brendan Nally joined the meeting and provided the Board with the monthly Safety, Health and Wellbeing report.

**Resolved**

That the Board:

1. **noted** the monthly report;
2. **noted** two notifiable events were reported to WorkSafe; and
3. **noted** the Accredited Employer Programme confirmation of secondary level accreditation.

## 6. 20(006) Board Evaluation proposals

Rebecca Keoghan sought Board agreement on which of the two proposals submitted be approved to undertake the Board evaluation as agreed at the December 2019 meeting.

The Board discussed the proposals submitted and agreed to engage Boardworks International to undertake the governance evaluation with the additional requirements of interviewing all of the Executive Leadership Team, rather than just the Chief Executive and observe at a future Board meeting.

The Board requested Raewyn Bleakley discuss the additional requirements with Boardworks International and confirm the final costings with the additional requirements to the Deputy Chair.

### Actions:

- Raewyn Bleakley to discuss with Boardworks International the additional requirements from the Board in regards to their proposal.
- Raewyn Bleakley to advise the Deputy Chair the final costings.
- Management to inform the unsuccessful companies.

### Resolved:

That the Board:

1. **appoint** Boardworks International to undertake the Board evaluation;
2. **note** that Boardworks International will be requested to interview all members of the Executive Leadership Team as part of its evaluation and attend a future Board meeting as an observer;
3. **note** that Raewyn Bleakley will provide final costings to the Deputy Chair for approval.

Moved: Malcolm Inglis; Seconded: Rebecca Keoghan

## 7. 20(007) Approval of the Q2 Report to the Minister

Russell Wood and Peter Dewes joined the meeting and sought Board feedback on the draft second quarter (Q2) report to the Minister for the 2019/20 financial year.

The Board provided its feedback on the draft provided, and requested the inclusion of the design of the organisation and the progress being made towards unification, together with a governance section informing the Minister of the disbanding of the Finance and Investment Committee in December 2019 and the establishment of the Safety Health and Wellbeing Committee.

The Board discussed the Exceptions reporting and requested management provide an update via email on the steps being taken to address the Fire permitting and enforcement measures 1.3.2 and 1.3.3.

The Board asked management to have another look at language to ensure consistency with other key documents.

**Actions:**

- Raewyn Bleakley and Russell Wood to work together to update the Q2 Report.
- The Chairman of the Board will sign off the final report before the due date of 10 March 2020.

**Resolved:**

That the Board:

1. **provided** feedback on the content of the draft Q2 Board report;
2. **endorsed** the variation recommendation to the Statement of Performance Expectations (SPE) measure 4.1.2 in the draft report for the Minister to approve;
3. **noted** that its feedback will be incorporated into the draft report to finalise;
4. **noted** that the final report will be signed off by the Chairman; and
5. **noted** the quarterly report will be sent to the Minister's Office by 10 March 2020.

Moved: Malcolm Inglis; Seconded: Wendie Harvey

**8. 20(008) Communications Strategy**

Nicky Chilton joined the meeting and provided the Board with the Communications Strategy for the next two years which sets out a framework for how effective communications will support Fire and Emergency New Zealand to achieve its strategic priorities.

The Board acknowledged the progress made to date in the delivery of a Strategy and provided minor feedback, including the inclusion of some alignment with the Vision and Values statements within the document.

**Resolved:**

That the Board:

1. **noted** the Communications Strategy 2020-22; and
2. **noted** that progress against this strategy will be reported to the Board through the CE Report.

**9. 20(009) Funding Review update**

Darryl Purdy and Russell Wood joined the meeting and provided an update on the expected timing of the Fire and Emergency Funding Review.

The Board noted that DIA has indicated that the implementation step of Phase Two<sup>1</sup> of the Funding Review is unlikely to start before November 2020 at the earliest, and is likely to be delayed beyond

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<sup>1</sup> The first phase of the Funding Review was primarily about collecting information. The second phase will analyse information received in the first phase and make a recommendation to Government on how to proceed (ie a proposed funding model). It will then implement that decision.

this date. The implementation step will include agreeing the future cost of the new organisation, setting charges and any legislative changes that are required. Any delay will push out the timeframe for a change in Fire Levies because DIA, Treasury and Ministers are unlikely to support any change in fees until the Review is complete, and the costs and funding of the new organisation are agreed. This emphasises the need for Fire and Emergency to continue to operate within the expenditure levels which can be funded over the next 2-3 years as set out in the 2019 SPE.

The Board noted the timeframe and the need to ensure any proposed operating costs set out in the Statement of Intent and Statement of Performance Expectations are in line with the legislative mandate of Fire and Emergency New Zealand.

The Board discussed with management the need to engage with Treasury officials once the numbers are robust and defensible.

#### Actions

- Monthly updates to be provided on the process to finalise future costs of the organisation and timing of Phase Two of the Funding Review to commence in March 2020.

#### Resolved:

That the Board:

1. **agreed** to align decisions on the future costs of the new organisation with the timing of Phase Two of the Funding Review; and
2. **agreed** to regular updates on the process to finalise the future costs of the new organisation, and the timing of Phase Two of the Funding Review.

#### 10. 20(010) Meeting with Department of Internal Affairs – Funding Review update

Gina Smith and Kate Raggett joined the meeting and provided the Board with an update on the work DIA officials are undertaking for the funding review.

Gina Smith advised that they received close to 70 submissions, 50 of which were substantive and are still being analysed in preparation for a summary document. Officials advised that all submissions and their summary will be made public in due course.

It was noted that officials were aiming to have their first Cabinet paper prepared for May 2020, but timing is still to be confirmed.

The Chair asked officials what work the department was undertaking in regards to Fire and Emergency's financial sustainability, and Gina Smith assured the Board that she would discuss with the appropriate official.

The Board asked officials if it was correct that the Insurance Council required at least 15 months for any changes in the rate of levy collection.

### **11. 20(011) Availability and Messaging System business case**

Russell Wood and Kerry Gregory joined the meeting and sought Board approval of the Whole-of-Life Costs for the Availability and Messaging System (AMS) and approval to continue implementation to the 230 opt-in volunteer brigades currently registered for Phase Three of the project. The Board noted that the whole-of-life costs were over the delegated financial authority of the Chief Executive.

#### **Resolved:**

That the Board:

1. **noted** that the Availability and Messaging System (AMS) has been successfully delivered to 68 brigades requiring a replacement for the Volunteer Availability and Communications System (VACS) with another 230 volunteer brigades requesting AMS (Phase Three);
2. **noted** that funding for Phase Three is allocated from the Integration ICT Budget for FY2019/2020, and the ICT budget for FY 2020/2021;
3. **noted** that, including Phase Three, Whole-of-Life Costs for the project are over the delegated financial authority of the Chief Executive;
4. **approved** Whole-of-Life Costs over ten years of \$12.834 million for AMS; and
5. **approved** the completion of Phase Three as planned.

Moved: Rebecca Keoghan; Seconded: Gwen Tepania-Palmer

### **12. 20(012) Finance and Investment Committee report back**

The Board was provided with an update on the Finance and Investment Committee meeting held on 19 December 2019, and asked to approve the minutes of that meeting, as it was the final Committee meeting.

#### **Resolved:**

That the Board:

1. **approved** the minutes of the Finance and Investment Committee meeting held on 19 December 2019.

Moved: Paul Swain; Seconded: Malcolm Inglis

### **13. 20(013) Safety Health and Wellbeing Committee report back**

Wendie Harvey provided the Board with an update on the Safety Health & Wellbeing Committee meeting held on 10 February 2020 and the progress made in getting some external assurance for the Board to undertake its own independent review to ensure compliance as Officers under the Health and Safety legislation.

#### **Resolved**

That the Board:

1. **noted** the report of the Committee meeting held 10 February 2020; and
2. **noted** the draft minutes provided.

#### 14. 20(014) Evaluation and Assessment Committee report back

Gwen Tepania-Palmer provided the Board with a verbal update on the Evaluation and Assessment Committee meeting held on 26 February 2020.

The Evaluation and Assessment Committee considered the Local Advisory Committee (LAC) shortlist recommendations for the seven LACs being established by 30 June 2020.

The Board was asked to note that the Committee:

1. **noted** due consideration was given to every nomination received within the qualifying time;
2. **noted** each nomination was evaluated based on a weighted set of evaluation criteria;
3. **noted** applicants were shortlisted based on suitability for the role;
4. **noted** applications were then calibrated to assess overall mix and make up of the LAC;
5. **approved** the seven shortlists for the LACS that are being established in Northland, Tairāwhiti, Hawkes Bay, Chatham Islands, Marlborough, West Coast and Otago; and
6. **endorsed** the LAC project team to commence the next phase of completing interviews.

#### Resolved

That the Board:

1. **noted** the update provided.

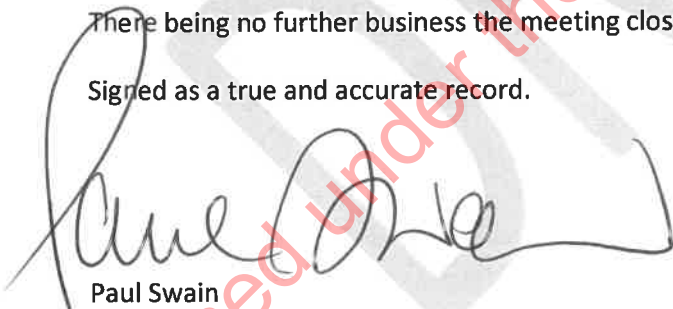
#### 15. 20(015) General Business

The Board noted the incoming and outgoing correspondence since the last meeting.

The Board discussed the upcoming Board events and requested management provide a forward work programme for regional visits while taking into account the work currently underway for the development of the SOI, SPE, and budgets.

There being no further business the meeting closed at 2.15pm.

Signed as a true and accurate record.



Paul Swain  
Chair

27 March 2020