



# Memorandum of Understanding

to establish the

# This Pumicelands Rural Fire District

15 July 2014  
Version 1.4

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# 1 Introduction

## **Purpose of this Memorandum of Understanding**

The purpose of this Memorandum of Understanding (MoU) is to formally document the agreement of certain parties to undertake the process to officially establish the proposed Central North Island Enlarged Rural Fire District, to be known as Pumicelands Rural Fire Authority.

This MoU identifies the stakeholders of the proposed Pumicelands Rural Fire Authority, and defines the terms by which the parties have agreed to proceed.

This MoU is NOT a contract; it is a declaration of intent and commitment.

## **Background**

Stakeholders have discussed the feasibility of an enlarged Rural Fire District (ERFD) in the Central North Island for several years, however the National Rural Fire Authority's (NRFA) recent promotion of the Enlarged Rural Fire Districts Strategy has given some focus to the debate.

In 2009 and 2010, the NRFA facilitated several meetings with stakeholders to consider options for an ERFD across the region.

In late 2010, the Rural Fire Authorities and forest owners agreed to formally investigate the options for establishing an ERFD and initiated a project to undertake the investigation.

The outcome of the investigation was very positive, and in February 2013, the stakeholders agreed in principle to proceed to establish a new Rural Fire District for the Central North Island. This MoU, once signed, will confirm this stakeholder position

The new Rural Fire District encompassing the current 9 Rural Fire Authorities will be called the Pumicelands Rural Fire District.

## **Parties**

The parties to this MoU are:

- Whakatane District Council
- Opotiki District Council
- Kawerau District Council
- Taupo District Council
- South Waikato District Council
- Rotorua District Council
- Western Bay of Plenty District Council

- Tauranga City Council
- Department of Conservation
- Department of Internal Affairs
- New Zealand Fire Service
- Kaingaroa Timberlands Ltd
- OTPP & Viking Global New Zealand Limited
- Tiaki Plantations Limited
- Taumata Plantations Limited
- Crown Forestry – Ministry for Primary Industries
- Lake Taupo Forest Trust.
- Lake Rotoaira Forest Trust.
- New Zealand Forest Managers Ltd.
- GT18 New Zealand Limited (Trading as Waonui Estate)
- Te Waihou Plantations Limited
- RII Madaket Limited / GFP Madaket II Limited JV

## **Definitions and interpretation**

In this MoU:

<i>"CDEM"</i>	means Civil Defence and Emergency Management.
<i>"MoU"</i>	means Memorandum of Understanding, this document.
<i>"NRFA"</i>	means National Rural Fire Authority.
<i>"NZFS"</i>	means New Zealand Fire Service.
<i>"Party"</i>	means party to this MoU.
<i>"PRFO"</i>	means Principal Rural Fire Officer.
<i>"RFD"</i>	means Rural Fire District.
<i>"TLA"</i>	Means Territorial Local Authority.
<i>"VRRFF"</i>	means Volunteer Rural Fire Force.

## 2 General Understanding and Agreements

The general understandings and agreements are:

### **Purpose and outcomes**

- A. The parties agree to undertake the process to officially establish the proposed RFD.
- B. The parties will be responsible for achieving the desired outcome of the establishment of the proposed RFD, which includes the following key deliverables:
  - a. Transition Committee established
  - b. Communication Plan developed
  - c. Funding agreements and budget confirmed
  - d. Formal gazettal of the Rural Fire District
  - e. Facilities and equipment procured
  - f. Principal Rural Fire Officer appointed
  - g. Internal policies, plans and procedures developed.
- C. This MoU is a temporary MoU that shall automatically terminate on either the date the proposed RFD is constituted by Gazette; OR on 1st July 2015; whichever date is earliest.
- D. The parties commit to funding contributions, and agree that on the termination of this MoU, that commitment will transfer to the Pumicelands Rural Fire Authority.

### **Principles**

- E. The parties agree to undertake to work together and reach consensus on matters between themselves, and be reasonable in all negotiations and discussions, and cooperate with each other.
- F. The parties agree to commit adequate and appropriately-skilled and/or responsible resources to establish the proposed RFD.
- G. The parties agree to continue to maintain the existing levels of fire management within their areas of jurisdiction (as rural Fire Authorities) until the official establishment of the Pumicelands Rural Fire District.
- H. The parties agree to proactively facilitate and support the transition.
- I. The parties agree to the current and future involvement of Territorial Local Authority sponsored Volunteer Rural Fire Forces (VRFFs) and other rural fire personnel in Civil Defence and Emergency Management (CDEM).

### Disclosure of information

- J. No party to this MoU shall release information derived from another party to a non-participating third party without prior agreement of all parties to this MoU.

## 3 Specific Understandings and Agreements

The specific understandings and agreements are:

### Transition Committee

- A. The parties agree to establish a Transition Committee to manage the establishment of the proposed RFD.
- B. The Transition Committee is a temporary Committee that shall automatically terminate on either the date the proposed RFD is constituted by Gazette; OR on 1st July 2015; whichever date is earliest.
- C. This MoU serves as the constitution for the Transition Committee.
- D. The members of the Transition Committee are:

Name	Title, organisation	Representing
Rob Williams	Chief Executive Taupo District Council	Territorial Authorities
Peter Keach	Chairman, Pumicelands Rural Fire Authority	NZ Forest Owners Association
Mike Power	Chairman Lake Rural Fire Authority	NZ Forest Owners Association
Meirene Hardy-Birch	Director of Conservation Services, Central Region.	Department of Conservation
Ron Devlin	Fire Region Manager, Region 2.	New Zealand Fire Service

**The NRFA will provide support for the transition through administration support and professional advice.**

### Transition plan

- E. The parties will develop and agree a detailed transition plan.

### Transition funding

- F. The parties will meet their own costs relating to travel, accommodation and general expenses during the process of establishing the proposed RFD.
- G. The transition costs have been estimated at \$83,182.

- H. The parties agree that the existing Rural Fire Authorities will fund the transition, with grant assistance from the National Rural Fire Authority.
- I. The parties agree to split the transition costs according to the agreed funding model percentage contributions (refer to attachments).
- J. The parties agree the following contributions:

<b>Party</b>	
Rotorua District Council	\$4,006
Whakatane District Council	\$3,277
Opotiki District Council	\$1,848
Kawerau District Council	\$250
South Waikato District Council	\$2,187
Taupo District Council	\$5,476
Western Bay of Plenty DC Tauranga City Council Department of Internal Affairs	\$2,000
Department of Conservation	\$9,556
Forest owners	\$13,992
NRFA	\$40,590
<b>Total</b>	<b>\$83,182</b>

### **Funding model and cash contributions for the Rural Fire District, once established**

- K. The annual budget for the first five years of the Rural Fire District (once established) has been estimated at \$730,000. This budget is inclusive of office accommodation costs, the salary and vehicle of the PRFO, support staff costs and administrative / secretarial services.
- L. The parties agree to fund the budget with a combination of cash and in kind contributions from the parties, and grant assistance from the NRFA.
- M. The parties agree to split the annual cash contributions required according to the agreed funding model percentage contributions.
- N. The parties agree the following cash contributions:

<b>Party</b>	<b>Cash contribution</b>
Rotorua District Council	\$37,803
Taupo District Council	\$85,071



	Kawerau District Council	\$633	
	Opotiki District Council	\$30,082	
	Whakatane District Council	\$43,034	
	South Waikato District Council	\$28,785	
	Western Bay of Plenty DC Tauranga City Council	\$29,592	
	<b>Local Government Sub Total</b>	<b>\$255,000</b>	
	Dept of Internal Affairs	\$30,000	
	Department of Conservation	\$142,537	
<b>Agreed</b>	Forest owners	\$220,000	<b>in kind</b>
	National Rural Fire Authority	\$82,463	
	<b>Total</b>	<b>\$730,000</b>	

### contributions for the Rural Fire District, once established

The parties agree to provide in kind support to ensure that the Fire Authority operates effectively and the following Full Time Equivalent (FTEs) are a guideline only:

In kind contribution	Description	Party	FTE
In Kind Human resources		Taupo DC	0.63
		Rotorua DC	1.5
		Kawerau DC	0.0
		Opotiki DC	0.4
		Whakatane DC	0.63
		South Waikato DC	0.3
		Western Bay of Plenty DC	}
		Tauranga CC	} 1.0
		Dept of Internal Affairs	}
		Dept of Conservation	1.2
		Forestry Companies	4.55
Training of human resources and VRFFs	As per current level of cover/funding in stakeholder budgets	All	As per current budgets
Serviced office	Office space, workstation, lap top (internet, office software etc.), printing, land line	TBD	TBD
Vehicle	Suitable vehicle for	TBD	TBD

<b>In kind contribution</b>	<b>Description</b>	<b>Party</b>	<b>FTE</b>
	PRFO needs		
Fire suppression insurance	As per current level of cover/funding in stakeholder budgets	TBD	TBD
Fire suppression administration	Claim administration and interest	TBD	TBD
Secretarial services	3 days per month, meetings and correspondence	TBD	TBD
GIS	Day to day GIS support, maps As per current levels	TBD	TBD

### **The parties also agree to provide as required a Stakeholder 'Banker' role'**

#### **Description**

This method involves one of the stakeholders lending money to the Fire Authority to cover the fire suppression costs until the costs can be recovered. The Rural Fire Authority in consultation with key stakeholders can decide who the lending stakeholder is, for example, by defining administration zones within the boundaries of the District.

For the avoidance of doubt:

- Fire on Department of Conservation Land; Department of Conservation acts as "banker".
- Fire on a member agency's forest land; respective forest owner is the "banker".
- Fire on any other land; relevant Territorial Local Authority is the "banker".

#### **Benefits**

This method could be easier to implement because it is close to how single rural Fire Authorities manage the risk now (i.e. the costs lie where they fall), and it can allow each stakeholder to decide how it will meet the costs of a fire that originates in their allocated zone(s).

#### **Implications**

This method separates the response costs from administration costs of an enlarged Rural Fire District, and means that the costs of fire suppression are not shared between all stakeholders.

#### **Change management considerations**

- O. The parties agree to undertake the required change management activities internal to their respective organisations to support the establishment of the proposed RFD (e.g. HR impacts etc.)

### **Dispute resolution**


- P. A dispute is defined as being of a serious nature, and unable to be resolved by the parties through reasonable negotiations, discussions and cooperation with each other.
- Q. Any party will notify all of the other parties if the party believes that a dispute exists.
- R. All parties agree that, should they be unable to resolve the dispute themselves, a third party will be invited to mediate discussions.
- S. The third party will be one of:
  - i. A representative of the National Rural Fire Authority; OR,
  - ii. An independent party agreed by the Transition Committee.

## **4 Effective Date, Future Amendments and Construction**

- A. This MoU shall become effective on the date of that all parties have signed the MoU.
- B. This MoU may be modified at any time by written consent of all the parties involved.
- C. The term of this MoU may be amended under clause 4B above.

## 5 Signatories

The undersigned hereby execute this Memorandum of Understanding on behalf of their agencies, organisations, instrumentalities, corporations or groups.



Geoff Williams  
Chief Executive,  
Rotorua District Council



Marty Grenfell  
Chief Executive,  
Whakatane District Council



Aileen Lawrie  
Chief Executive,  
Opotiki District Council



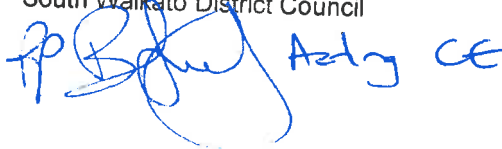
Russell George  
Chief Executive,  
Kawerau District Council



Craig Hobbs  
Chief Executive,  
South Waikato District Council



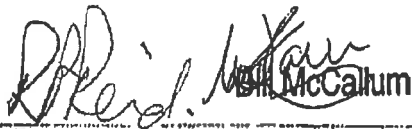
Rob Williams  
Chief Executive,  
Taupo District Council



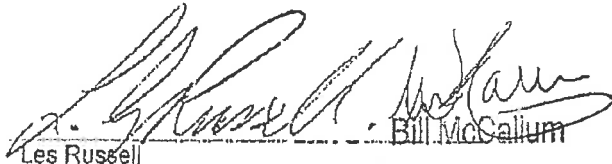
Meirene Hardy-Birch  
Director of Conservation Services, Central  
Region, Department of Conservation.




Peter Keach  
Chief Operating Officer, PF Olsen Ltd  
for OTPP NZ Ltd.



Ron Reid  
Forestry Operations Manager, HFM NZ Ltd  
for Taumata Plantation's Ltd.



Les Russell  
Area Manager Eastern, HFM NZ Ltd  
for Tlaki Plantations Ltd.



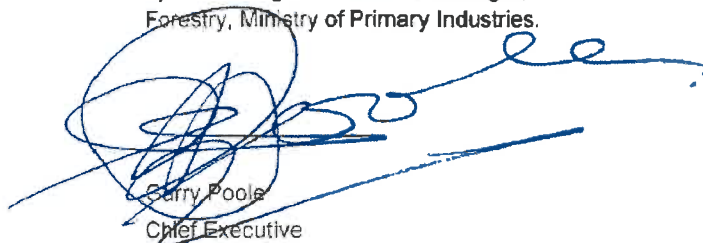
David Balfour  
Director, Timberlands Limited,  
As Agent for Kaingaroa Timberlands.



Warwick Foran  
As Agent for Her Majesty the Queen acting  
by and through the General Manager, Crown  
Forestry, Ministry of Primary Industries.



Geoff Thorp  
Forestry Operations Manager  
for Lake Taupo Forest Trust and Rotoaira  
Forest Trust.



Barry Poole  
Chief Executive  
Tauranga City Council



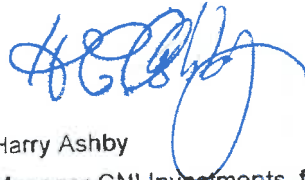
Kathy Perreau  
Director of Policy,  
Department of Internal Affairs.



Miriam Taris  
Chief Executive Officer.  
Western Bay of Plenty District Council.



Ron Devlin  
Fire Region Manager, Region 2,  
New Zealand Fire Service.



Harry Ashby  
Manager CNI Investments, for

- GTI 8 New Zealand Limited (trading  
as Waonui Estate)
- Te Waihou Plantations Limited
- RII Madaket Limited / GFP Madaket  
II Limited JV.