

# NEW ZEALAND SEARCH AND RESCUE

## New Zealand Search and Rescue Funding Principles

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## Purpose

1. Public entities<sup>1</sup> are accountable for their performance and use of public resources whether they use those resources directly themselves, or whether the resources are disbursed for use to another party.
2. There are clear expectations about what acceptable conduct is when public resources are being used, and all entities partnering together need to recognise and respond to these expectations when they enter into funding agreements<sup>2</sup>.
3. This paper outlines the Funding Principles (the Principles) for New Zealand Search and Rescue (NZSAR) to work with all sector stakeholder partners to guide and implement the planned objectives from funding provided.
4. Use of these principles provides assurance the NZSAR Council meets their obligations under the Public Finance Act when using public resources.
5. The Principles will be applied to the Service Level Agreements (SLAs), Memorandums of Understanding (MOUs), and any other contracts with partner stakeholders to ensure there is a level of consistency, noting that funding agreements can take a number of different forms with varying Governance arrangements.
6. The Principles are structured with a three-tiered approach – high level concepts to inform the content, NZSAR Principles that must be specifically addressed, and core organisational expectations which need to be included but can be addressed in a more general sense.
7. At a high level the Principles outline how key concepts of lawfulness, accountability, openness, value for money, fairness, and integrity in decision-making will be applied.
8. The Principles are intended to inform the analysis in developing each funding agreement delivery mechanism, to provide transparency for all participants in the system.
9. The Principles are proportionate, as applying those literally for all situations could be counter-productive, especially when there are differences between partners in terms of relative power, size, and governance approaches.

## High Level Government Principles

10. The Principles, listed below, build on and are consistent with the good practice guidance issued by the Treasury and the Office of the Auditor-General (OAG)<sup>3</sup>. The Principles serve to inform all content and align with the Ministry of Transport's (MoT), 'Transport Regulatory System: Funding Principles (September 2018<sup>4</sup>)', and the Ministry's 'Review of Section 9(1) funding for 2020/21-2022/23' letter to New Zealand search and rescue providers of March

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<sup>1</sup> NGOs, Incorporated Societies, Government Departments, other groups such as volunteers

<sup>2</sup> Refers to Service Level Agreements, Memorandums of Understanding and other contracts

<sup>3</sup> <https://www.oag.govt.nz/2008/funding-arrangements/part2.htm>

<sup>4</sup> <https://www.transport.govt.nz/assets/Uploads/Our-Work/Documents/d7618d9f40/Transport-Regulatory-System-Funding-Principles.pdf>

2019. The Principles require a clear line of sight between activities, services and costs, for all parties.

- **Accountability:** Public entities should be accountable for their performance and be able to give complete and accurate accounts of how they have used public funds, including funds passed on to others for particular purposes. They should also have suitable governance and management arrangements in place to oversee funding agreements.
- **Openness:** Public entities should be transparent in their administration of funds, both to support accountability and to promote clarity and shared understanding of respective roles and obligations between entities and any external parties entering into funding agreements.
- **Value for money:** Public entities should use resources effectively, economically, and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes the entity is trying to achieve. Where practical, this may involve considering the costs of alternative supply arrangements.
- **Lawfulness:** Public entities must act within the law, and meet their legal obligations.
- **Fairness:** Public entities have a general public law obligation to act fairly and reasonably. Public entities must be, and must be seen to be, impartial in their decision-making. Public entities may also at times need to consider the imbalance of power in some funding agreements, and whether it is significant enough to require a different approach to the way they conduct the relationship.
- **Integrity:** Anyone who is managing public resources must do so with the utmost integrity. The standards applying to public servants and other public employees are clear, and public entities need to make clear when funding other organisations that they expect similar standards from them.

## What is NZSAR seeking to achieve?

11. The Council has 4 key Goals<sup>5</sup>, and the impacts sought in regard to those goals are articulated in the table below. To achieve its Goals and measurable impacts, and mitigate its risks, NZSAR works with all participants in the sector.
12. Each stakeholder partner funding agreement will reflect the NZSAR Principles Core expectations, and how these flow through to and contribute to the achievement of the NZSAR Goals and measurable impacts.
13. The funding agreement SLAs and MOUs will be measured and monitored over time so the sector can sustainably improve and impacts can be demonstrated and communicated.

Goals	Impacts Sought
A robust and integrated SAR system	<b>Integrated sector:</b> To improve services and mitigate risk through an integrated collective cross culture SAR sector, which is supported by policies, processes, safe SAR practice, and ongoing understanding of the SAR system. Funding models are diversified.
Efficient and sustainable SAR organisations	<b>Effective SAR services:</b> Delivered by high performing, sustainably funded SAR organisations that are fit-for-purpose, and responsive to change. Also aim to: <ul style="list-style-type: none"> <li>• Improve SAR system data quality and access</li> <li>• Improve technology for SAROPs.</li> </ul>
Capable SAR people	<b>Maximise Capability:</b> Appropriate training can be accessed and coordinated. Knowledge sharing will improve volunteer worker engagement, skills, health & safety and SAROP standard practices.
SAR prevention	<b>Reduce number and severity of SARs:</b> Lead SAR preventative strategies. Facilitate more prevention activities and coordination. An informed responsible and skilled public.

<sup>5</sup><https://nzsar.govt.nz/Portals/4/Publications/NZSAR%20Strategic%20Documents/NZSAR%20Strategic%20Plan%202017-20.pdf>

## NZSAR Funding Principles

14. These Principles will be included in all funding agreements which must outline how they will contribute to achieving NZSAR Goals, delivering measurable impacts and efficiently mitigating NZSAR Council risks.

Principle	Context	Results in
Stewardship of public funds	Trust in the public sector is maintained and public financial reporting demonstrates good practice and supports open Government objectives	<p>Sound and efficient financial systems are evident in our partners.</p> <p>With timely, transparent and proportionate reporting, NZSAR and the MoT maintain public trust by accounting fully and openly for its operations and decisions in the use of public resources.</p>
A collaborative approach	With increasing pressure to use funds as sustainably as possible, it is expected all sector partners will take a collaborative, mutual respect and goodwill approach. It is anticipated this will increase Government confidence in the overall SAR sector and safety system, improved safety of services, and provision of better information, leading to better decisions made.	<ul style="list-style-type: none"> <li>• Ability to demonstrate value for money both individually and through working with other partners (leveraging)</li> <li>• Improved availability of public information allowing for better decision-making</li> <li>• Meeting the Council goal of a robust SAR system</li> <li>• Confidence in New Zealand SAR and a safe environment by overseas participants (and regulators)</li> <li>• Efficiency of funding, improved inter-organisational engagement, a sector vs individual approach.</li> </ul>
Shared Services	The provision of a service by one part of an organisation that can be used by another organisation.	A stronger more cohesive sector, increased sector efficiency, aligned sector ideas and planning.
Transparency	Transparency is openness to the public about structure and functions, intentions, accounts, and access to reliable, comprehensive, timely information, so an entity's position can be and true costs and benefits can be seen and understood.	Resources invested in the sector are efficiently invested and distributed, providing measured and reported value for money, and public confidence in the use of public funds.
Justifiable Business	It is important for the business purpose and value derived of expenditure to be	Clear understanding of the value provided for the funding

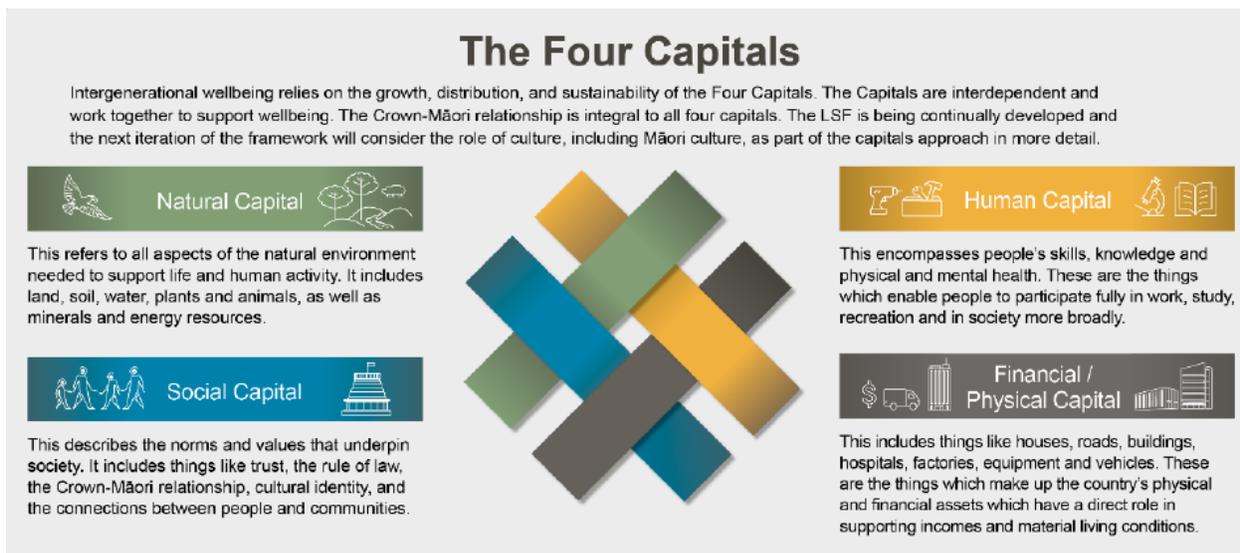
Purpose and Value of Investment	clear. This could also be described as the measure of quality that assesses the monetary cost of the product or service against the quality and/or benefits of that product or service.	received (includes the contribution the sector receives and the efficiency of that contribution by the contributor) – and what performance information is to be collected. The outputs and services, and cost drivers are clearly understood and defined.
Managing risk	The SAR sector operates in a complex and evolving environment, and while no response system can be rendered failsafe, SAR sector risks can be addressed effectively.	Mitigation of the risks described in the NZSAR risk register
Values	NZSAR values apply to the wider SAR Sector. Sector partners, while working to minimise harm and provide assistance to those in distress need to demonstrate alignment with these values.	SLAs demonstrate that partners: <ul style="list-style-type: none"> <li>• Have a strong community service ethic</li> <li>• Communicate and engage openly and effectively</li> <li>• Collaborate and cooperate between individuals, teams and organisations</li> <li>• Respect individuals, teams, and stakeholder organisations.</li> </ul>
Wellbeing <sup>6</sup> and Resilience	The Four Capitals (natural, human, social, and financial and physical) established by Treasury <sup>7</sup> to support the Government aims above, and which will improve the quality of services offered from Government resources.  Resilience is the reduction in vulnerability and is important for organisations and communities	Partner funding agreements outline how organisations are: <ul style="list-style-type: none"> <li>• Implementing, or planning to implement well-being for staff and their organisation and how this will influence their engagement with participants in the sector.</li> <li>• Building resilience in the organisation and within individuals, especially in volunteers.</li> </ul>

<sup>6</sup> Refer Appendix One

<sup>7</sup> <https://treasury.govt.nz/sites/default/files/2018-02/tp-approach-to-lsf.pdf>

## The Four Wellbeing Capitals

15. As a basis for ‘doing things differently’, the Government has established a ‘well-being budget’, that endeavours to give more New Zealanders the ability to share in the benefits of a strong and growing economy<sup>8</sup>. This includes making the best choices for current and future generations and considering social, environmental and economic implications together, and it does this in three ways:
- Breaking down agency silos and working across government to assess, develop and implement policies that improve wellbeing
  - Focusing on outcomes that meet the needs of present generations at the same time as thinking about the long-term impacts for future generations
  - Tracking progress with broader measures of success, including the health of our finances, natural resources, people and communities.



## Other Core expectations for consideration

16. The funding agreements are also predicated on the need for organisational information to support the Funding Principles. The table below outlines the Core expectations that must be included and addressed, noting proportionality requirements.

Core Expectations	Context	Results in
Treaty of Waitangi	The Treaty of Waitangi <sup>9</sup> is an integral part of New Zealand's constitutional arrangements. This relationship, means 'a proper engagement between the Crown and Māori, a sharing of power and control over resources, a mutual accountability, where the relationship harnesses the potential of all Māori in the most effective manner'.	Clear reference on how Treaty of Waitangi requirements and expectations are being planned for and met by the entity.

<sup>8</sup> <https://treasury.govt.nz/sites/default/files/2019-06/b19-wellbeing-budget.pdf>

<sup>9</sup> <https://www.oag.govt.nz/2019/public-accountability/docs/public-accountability.pdf>

Evaluating results	NzsAR will regularly track and evaluate progress with a proportionate approach, that partners are making to implement the agreed objectives, and will use evaluation to meet the 'Results' outlined.	<ul style="list-style-type: none"> <li>• Accountability for public funds</li> <li>• Demonstrating value and impact</li> <li>• Knowledge dissemination with partners and stakeholders</li> <li>• Demonstrating efficient use of resources</li> <li>• Programme and project planning</li> <li>• Resource allocation.</li> </ul>
Performance Measurement	Performance measurement, developed and agreed collaboratively, for validation and reporting of service progress, is a component of all reporting, is expected from all stakeholder partners.	<ul style="list-style-type: none"> <li>• Simple and cost-effective available data, making the best use of both quantitative and qualitative sources and data;</li> <li>• Presentation of results in a clear manner to enable dissemination to NzsAR, MOT and wider Government</li> <li>• Relevant information that will empower the sector to better understand their progress and all programmes</li> <li>• Information that is reviewed and improved on an ongoing basis.</li> </ul>
Indicators and measures	Appropriate performance indicators and measures to demonstrate progress must be included. Criteria such as validity, relevance, reliability (consistent over time), availability, and affordability could be used to identify indicators and measures.	Information, including data collection across indicators, that when combined, contributes to performance measurement. Separate indicators, agreed collaboratively, enable an organisation to identify and intervene where required, and advise of any system issues that may be trending.
Diversity	NzsAR recognizes the individual worth and dignity of all people. All individuals have the right to be treated according to their personal merits, and to be given equal opportunity with all others. NzsAR acknowledges the histories, traditions, languages and contemporary practices of all cultural and ethnic groups.	Organisational diversity across stakeholder partners is expected to be planned for, and increase and should be included in plans and updates on progress.