16 April 2019

I refer to your request dated 21 February 2019, pursuant to the Official Information Act 1982, seeking information relating to the Amateur Radio Emergency Communications (AREC) group and the New Zealand Association of Radio Transmitters Inc (NZART). On 20 March 2019, the Ministry of Transport notified you of its intention to extend the deadline of the response to your request by an additional 20 working days, to 18 April 2019.

The attached table lists all documents that fall within the scope of your request, of which 94 documents are provided together with this response. All meeting minutes are publicly available on the New Zealand Search and Rescue website (under the ‘Publications’ tab) and therefore not enclosed with this response.

Certain information is being withheld in reliance on the following sections under the Official Information Act 1982:

- Section 9(2)(a), which relates to protecting the privacy of natural persons.
- Section 9(2)(b)(ii), which relates to protecting information that could unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.

In regard to the information that has been withheld under section 9 of the Act, I am of the opinion that there are no countervailing considerations that make it desirable, in the public interest, to make the information available.

You have the right under section 28(3) of the Official Information Act to make a complaint about the withholding of information to the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
P O Box 10-152
WELLINGTON

The Ministry publishes our Official Information Act responses and the information contained in our reply to you will be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Yours sincerely

[Signature]

Peter Mersi
Chief Executive

www.transport.govt.nz

HEAD OFFICE: PO Box 3175, Wellington 6140, New Zealand. TEL: +64 4 472 5600

AUCKLAND OFFICE: The New Zealand Government - Auckland Policy Office, PO Box 196 238, Auckland City 1140, New Zealand. TEL: +64 9 985 4827
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**Task or Project Name:** AREC Funding Review

**Objective:**
To ensure specialist radio communication services continue to be provided for land based search and rescue operations in New Zealand.

**Background:**
Communications services for land based search and rescue operations are predominately provided by a few organisations: AREC, LandSAR, and NZ Police.

AREC (Amateur Radio Emergency Communications) is a sub-set of NZART (NZ Association of Radio Transmitters) and provides specialist radio communications support to land-based SAR operations.

The New Zealand Search and Rescue (NZSAR) Council has been funding AREC via a service level agreement (SLA). The NZSAR funds are provided to a charitable trust (NZART AREC Emergency Funds Trust “AREC Trust”) which sits within the NZART Incorporated Society.

**Problem:**
NZSAR has a lack of clarity, and some concerns, about the following aspects of the current AREC Trust and NZART arrangements:
- Organisational structures and governance arrangements
- Roles and functions
- Membership and relationships
- Ownership and control of radio equipment and licenses, particularly those purchased with Crown funding

One of the symptoms of the current arrangements is that the AREC Trust was deregistered by the Charities Commission in January 2015 because it failed to file annual returns.

**Review considerations:**
The review is expected to:
- Explain the following aspects of AREC and NZART:
  - Organisational structures and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters, and associated licenses, purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure
### Outcomes sought:

1. Specialist radio communications services continue to be provided for the SAR sector.
2. There is clarity of the ownership and control of existing hardware (radios and repeaters) and corresponding licenses purchased with NZSAR funding under the previous SLAs with AREC.
3. NZSAR has clarity and surety of any future Crown funding of specialist radio communication services.

### Out of scope:

The operational delivery of land based communications services for the SAR sector is outside the scope of this review.

### Risks to successful task or project completion:

Unwillingness of potentially affected parties to engage in good faith.
A GOVERNANCE AND STRUCTURAL REVIEW OF THE AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC) ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council

By Caravel Group (NZ) Ltd, July 2017
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APPENDIX ONE – EXTRACT FROM NZART CONSTITUTION ................................................................ 12

This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference
The review is expected to:

- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology
Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieved the desired outcomes.

Review Initiation
This project was initiated by discussion with the SAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

Review and Fieldwork
Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

2. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain a national capability to support search and rescue activities.

3. That AREC uses NZART’s National Administrator to provide essential administrative functions including AREC’s ongoing registration as a Charitable entity.

4. That the NZART National Administrator is recompensed from the grant funding provided by NZSAR to AREC in return for providing administrative services to AREC.

5. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

6. That a sub-category of NZART membership be created to enable community members to participate in and support AREC search and rescue activities while receiving public liability insurance coverage provided by NZART.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

This section explains the governance, structure and key roles of the NZART and AREC as they relate to the delivery of search and rescue radio services.

2.1 NZART Structure and Governance

The New Zealand Amateur Radio Transmitters (NZART) represents New Zealand’s amateur radio community nationally and internationally. It was formed in 1926 and was a founding member of the International Amateur Radio Union in 1929. NZART membership is voluntary, with less than 50% of licenced amateur operators estimated as being members.

Members are represented by 12 Councillors elected to the NZART Council which comprises roles of President, Vice President and immediate Past President and nine regional Councillors representing different regional areas across New Zealand in proportion to each region’s membership.

A part-time business manager is employed to manage NZART’s administration functions. Other roles appointed by the Council include the National Director Amateur Radio Emergency Communications (AREC), The Engineering Licensing Group (ELG) and the Administration Liaison Officer (ALO), who is charged with liaison with the Radio Spectrum Management Group of the New Zealand Ministry of Business, Innovation and Employment (MBIE).

NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

2.2 Amateur Radio Emergency Communications (AREC)

The Amateur Radio Emergency Communications (AREC) was formed in 1932 following the Napier earthquake, with the objective of providing reliable radio communications throughout the country during times of emergency. AREC is an associate member of NZART and a member of the New Zealand Search and Rescue (NZSAR) Consultative Committee. Its mission statement is:

"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:
- Maintain a close liaison with the NZ Police and LSAR for Search and Rescue.
- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.
AREC is involved in providing communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation. Typically, they provide communications equipment and operators at the search headquarters, and providing support for the setting up of equipment and training for the search teams who communicate back to the search headquarters.

AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The Trust was re-registered in 2015 for not filing annual accounts over four consecutive years due to administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Co-ordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.
2.5 AREC Management

AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one of four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:
- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

2.6 AREC Legal Status

NZART is an Incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZ Search and Rescue in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and the New Zealand Search and Rescue Council (through the Secretary of Transport).

The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely “a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment’. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.
2.7 AREC Service Level Agreement

A Service Level Agreement (SLA) with the Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, such as SARTRACK.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, these have not been sighted.

The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent system of maintaining equipment and frequency registers should be implemented that captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.
From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and action by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in AREC’s future operating model and as a prerequisite for future funding allocation.

It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
- Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.
- Ensure that AREC members are covered under the NZART Public Liability Insurance coverage when participating in a SAR operation.
- Maintain AREC Section Leader/Deputy Leader and local team member records.
- Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.
- Register expenditure of annual NZSAR grant funding against agreed funding programmes.
- Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.
- Maintain a register of frequencies assigned to AREC for emergency communications.
- Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator’s activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. **That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.**

   **Rationale**
   
The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.

   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

2. **That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.**

   **Rationale**
   
   Any attempt to fracture the current NZART – AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

3. **That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.**

   **Rationale**
   
   There is general agreement that AREC does not have the capacity or inclination to provide adequate administrative functions to support its reporting and oversight obligations. The NZART’s National Administrator has access to the NZART member database and is knowledgeable in dealing with both NZART and AREC Council members and AREC National and Regional Managers.

4. **That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.**

   **Rationale**
   
   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services. Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.
5. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.
   
   **Rationale**
   
   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

6. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.
   
   **Rationale**
   
   A prerequisite for AREC membership is paid-up membership of NZART. This is seen as an unnecessary obstacle to other community members participating in SAR operations and offering valuable services in roles such as data entry and transcript recording. The main reason for retaining NZART membership is that AREC members are covered by NZART’s Public Liability Insurance scheme when engaged on SAR operations. This ensures that the risk of injury while “in the field” is mitigated for both individuals, AREC and ultimately NZSAR. The membership requirement obligation should therefore be retained.

   There is scope, however for NZART to consider a further membership category – for members wishing to participate in SAR operations and activities without being actively engaged with NZART. A nominal subscription fee should be charged in return for public liability coverage when engaged on a SAR operation. Each applicant seeking this membership category should be nominated by their local Section Leader to ensure that the membership category is not abused.
APPENDIX ONE – EXTRACT FROM NZART CONSTITUTION

Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the "Amateur Radio Emergency Communications" group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
A GOVERNANCE AND STRUCTURAL REVIEW OF THE AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC) ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council
By Caravel Group (NZ) Ltd, August 2017
This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference

The review is expected to:
- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology

Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieve the desired outcomes.

Review Initiation

This project was initiated by discussion with the SAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

Review and Fieldwork

Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.

8. Review AREC roles, titles and functions to ensure consistency and clarity.

9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.

10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust, improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

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NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

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"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:
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- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.
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AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The Trust was de-registered in 2015 for not filing annual accounts over four consecutive years due to administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance and Management

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Co-ordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.
AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one of the four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:

- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

It is noted that the above role description and other similar role descriptions contain misleading and out-of-date terms and designations. These should be updated and promulgated across the NZART and AREC membership.

2.5 NZART AREC Emergency Funds Trust Governance

A review of the current Trust governance arrangements indicates generally poor practice with regards to administration, and a limited understanding of the Trust’s objectives and Trustee’s responsibilities. Observations include:

- No regular Trust meetings, either face-to-face or via conference calls.
- Limited knowledge or understanding of the Trust deed.
- No training in running a Trust, although there is some experience as Trustees of other Trusts.
- While aware of reporting obligations, Trustees have assumed it was someone else’s responsibility.
- Notification about disbursement of Trust funds is generally limited to an email approving transfer of funds from one account to another – without explanation of the purpose.
- No apparent mechanism for transparent recording of Trust assets.

It is stressed that the above situation has developed over a period of time, and does not reflect on the current Trustees’ commitment or dedication to maintaining and delivering AREC’s contracted services.

2.6 AREC Legal Status

NZART is an Incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZSAR in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and an appointee from NZSAR.
The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely “a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment’. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.

There appears to be no apparent reason that the existing NZART AREC Emergency Funds Trust cannot be re-registered quickly. The NZART President has indicated that an application for re-registration has in fact been lodged, with the consent of the previous trustees and submission of annual returns for each year that the Trust was de-registered.

2.7 AREC Service Level Agreement

A joint Service Level Agreement (SLA) with the New Zealand Police, Maritime New Zealand and the Ministry of Transport acting through the Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, such as SARTRACK and for administrative and governance functions.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

The SLA is currently silent on the need to maintain and promulgate a register of equipment purchased using Crown funds and owned by the Trust, including its location and maintenance programme. This information should be made available at least annually to the SAR Secretariat, or on demand.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, copies of the registers are awaited for inclusion in this report.
The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent system of maintaining equipment and frequency registers should be implemented that captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.

From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and action by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in ARECs future operating model and as a prerequisite for future funding allocation.

It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
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- Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.
- Ensure that AREC members are covered under the NZART Public Liability Insurance coverage when participating in a SAR operation.
- Maintain AREC Section Leader /Deputy Leader and local team member records.
- Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.
- Register expenditure of annual NZSAR grant funding against agreed funding programmes.
- Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.
- Maintain a register of frequencies assigned to AREC for emergency communications.
- Respond to NZSAR Service Level Agreement reporting requirements.
- Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator’s activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.
   
   **Rationale**
   
   There is general agreement that current arrangements are appropriate and functional for a system that is reliant on volunteer participating at the local level. The current system encourages collaboration and fosters community engagement – AREC members in practice do not distinguish themselves from being NZART members, and generally utilise the same premises and equipment to carry out their roles. The current system that enables this process to function efficiently and effectively is regarded as simple and transparent, and fit for purpose.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

   **Rationale**
   
   The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.

   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

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   Any attempt to fracture the current NZART – AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

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   There is general agreement that AREC does not have the capacity or inclination to provide adequate administrative functions to support its reporting and oversight obligations. The NZART’s National Administrator has access to the NZART member database and is knowledgeable in dealing with both NZART and AREC Council members and AREC National and Regional Managers.
An agreement should be negotiated between AREC and NZART regarding the allocation of funds received by AREC towards payment for hours worked by the NZART National Administrator on AREC administration, and a portion of NZART HQ office overheads.

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   **Rationale**
   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services. Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.

   A fixed sum payment by AREC to NZART is recommended, for a number of hours of AREC administration per week. The hourly rate should be the same as the current NZART rate, and be adjusted to align with any change to the NZART rate in the future.

   It may be expected that the number of hours per week during the first six months would peak at 10 and reduce back to six or seven once all information has been collected and systems established.

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   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

   Up to 20% of NZART HQ’s annual operating costs once salaries are deducted is recommended as an annual payment. Based on available information, this equates to a $4,000 per annum contribution towards NZART HQ’s fixed costs.

7. **That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.**
   
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   A prerequisite for AREC membership is paid-up membership of NZART. This is seen as an unnecessary obstacle to other community members participating in SAR operations and offering valuable services in roles such as data entry and transcript recording.

   The main reason for retaining NZART membership is that AREC members are covered by NZART’s Public Liability Insurance scheme when engaged on SAR operations. This ensures
that the risk of injury while “in the field” is mitigated for both individuals, AREC and ultimately NZSAR. The membership requirement obligation should therefore be retained.

There is scope, however for NZART to consider a further membership category – for members wishing to participate in SAR operations and activities without being actively engaged with NZART. A nominal subscription fee should be charged in return for public liability coverage when engaged on a SAR operation. Each applicant seeking this membership category should be nominated by their local Section Leader to ensure that the membership category is not abused.

8. **Review AREC roles, titles and functions to ensure consistency and clarity.**  
**Rationale**
Descriptions and titles of key stakeholders, including the AREC National Director are outdated and do not reflect their current roles. This may result in confusion about roles and responsibilities for AREC office holders, particularly at the local level. Revised titles and roles should also be reflected in the Service Level Agreement and Trust Deed documents.

9. **That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.**  
**Rationale**
Equipment already purchased by the Trust has been entered into a register, however this needs to be regularly updated and circulated to key stakeholders including the SAR Secretariat.

The AREC Service Level Agreement (SLA) should also be amended to include a requirement that a current copy of the equipment register be provided at least annually, or on demand.

10. **That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.**  
**Rationale**
The current Trust deed is silent on a number of important aspects of its administration and function. The following list indicates some immediate areas where the deed should be amended:
- The Trust deed should be jointly reviewed by each Trustee of behalf of their organisation to ensure that the Trust’s Objectives and Powers remain fit for purpose in delivering the capability to provide emergency radio services.
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- The Trust deed should stipulate that minutes from each Trust meeting are made available to each of the Trustee’s parent organisations and funding agencies.
The Trust deed should be updated to reflect how funds are received and banked, how they are expended via cheque or electronic funds transfer.

The Trust deed should define how assets purchased by the Trust are registered and maintained, and this information is presented, for example in response to a requirement in a Service Level Agreement.

The Trust deed should clearly state that the Trust maintains control and ownership of assets that it has purchased, and should contain a clause stipulating how these assets are to be disposed or re-allocated, if in the future the Trust is dissolved.

Any review of the Trust deed should be carried out in consultation with Charities Services to ensure that the Trust’s charitable objectives are maintained to their satisfaction.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.

Rationale
Trustees need to understand their responsibilities and obligations as custodians of the NZART AREC Emergency Funds Trust. There is evidence that this is not the case.

Recommendations for immediate improvements to Trust governance include:

- Assurance that each Trustee is aware of their role and responsibilities associated with an appointment as Trustee.
- Provide funding to train and maintain each Trustee’s knowledge and expertise in their roles.
- The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. Rewrite the Trust deed to mandate a minimum number of meetings per annum, including at least one in person.
- Minutes from each Trust meeting should be available to each of the Trustees and other stakeholders as detailed in the Service Level Agreement.
- The process whereby funds are received and banked, and how they are expended should also be examined and any recommendations to improve transparency and probity should be implemented.
APPENDIX ONE – EXTRACT FROM NZART CONSTITUTION

Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the "Amateur Radio Emergency Communications" group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
A GOVERNANCE AND STRUCTURAL REVIEW OF THE AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC) ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council
By Caravel Group (NZ) Ltd, August 2017
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This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference

The review is expected to:

- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology

Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieved the desired outcomes.

Review Initiation

This project was initiated by discussion with the NZSAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

Review and Fieldwork

Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.

8. Review AREC roles, titles and functions to ensure consistency and clarity.

9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.

10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust, improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

This section explains the governance, structure and key roles of the NZART and AREC as they relate to the delivery of search and rescue radio services.

2.1 NZART Structure and Governance

The New Zealand Amateur Radio Transmitters (NZART) represents New Zealand's amateur radio community nationally and internationally. It was formed in 1926 and was a founding member of the International Amateur Radio Union in 1929. NZART membership is voluntary, with less than 50% of licenced amateur operators estimated as being members.

Members are represented by 12 Councillors elected to the NZART Council which comprises roles of President, Vice President and immediate Past President and nine regional Councillors representing different regional areas across New Zealand in proportion to each region’s membership.

A part-time business manager is employed to manage NZART’s administration functions. Other roles appointed by the Council include the National Director Amateur Radio Emergency Communications (AREC), The Engineering Licensing Group (ELG) and the Administration Liaison Officer (ALO), who is charged with liaison with the Radio Spectrum Management Group of the New Zealand Ministry of Business, Innovation and Employment (MBIE).

NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

2.2 Amateur Radio Emergency Communications (AREC)

The Amateur Radio Emergency Communications (AREC) was formed in 1932 following the Napier earthquake, with the objective of providing reliable radio communications throughout the country during times of emergency. AREC is an associate member of NZART and a member of the New Zealand Search and Rescue (NZSAR) Consultative Committee. Its mission statement is:

"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:

- Maintain a close liaison with the NZ Police and LandSAR for Search and Rescue.
- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.
AREC is involved in providing communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation. Typically, they provide communications equipment and operators at the search headquarters, and providing support for the setting up of equipment and training for the search teams who communicate back to the search headquarters.

AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The Trust was de-registered in 2015 for not filing annual accounts over four consecutive years due to administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance and Management

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Coordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.
AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one of the four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:

- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

It is noted that the above role description and other similar role descriptions contain misleading and out-of-date terms and designations. These should be updated and promulgated across the NZART and AREC membership.

### 2.5 NZART AREC Emergency Funds Trust Governance

A review of the current Trust governance arrangements indicates generally poor practice with regards to administration, and a limited understanding of the Trust’s objectives and Trustee’s responsibilities. Observations include:

- No regular Trust meetings, either face-to-face or via conference calls.
- Limited knowledge or understanding of the Trust deed.
- No training in running a Trust, although there is some experience as Trustees of other Trusts.
- While aware of reporting obligations, Trustees have assumed it was someone else’s responsibility.
- Notification about disbursement of Trust funds is generally limited to an email approving transfer of funds from one account to another – without explanation of the purpose.
- No apparent mechanism for transparent recording of Trust assets.

It is stressed that the above situation has developed over a period of time, and does not reflect on the current Trustees’ commitment or dedication to maintaining and delivering AREC’s contracted services.

### 2.6 AREC Legal Status

NZART is an Incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZSAR in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and an appointee from NZSAR.
The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely “a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment’. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.

There appears to be no apparent reason that the existing NZART AREC Emergency Funds Trust cannot be re-registered quickly. The NZART President has indicated that an application for re-registration has in fact been lodged, with the consent of the previous trustees and submission of annual returns for each year that the Trust was de-registered.

2.7 AREC Service Level Agreement

A joint Service Level Agreement (SLA) with the, New Zealand Police, Maritime New Zealand and the Ministry of Transport acting through the New Zealand Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, such as SARTRACK and for administrative and governance functions.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

The SLA is currently silent on the need to maintain and promulgate a register of equipment purchased using Crown funds and owned by the Trust, including its location and maintenance programme. This information should be made available at least annually to the NZSAR Secretariat, or on demand.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, copies of the registers are awaited for inclusion in this report.
The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent system of maintaining equipment and frequency registers should be implemented that captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.

From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and action by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in ARECs future operating model and as a prerequisite for future funding allocation.

It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.

Ensure that AREC members are covered under the NZART Public Liability Insurance coverage when participating in a SAR operation.

Maintain AREC Section Leader /Deputy Leader and local team member records.

Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.

Register expenditure of annual NZSAR grant funding against agreed funding programmes

Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.

Maintain a register of frequencies assigned to AREC for emergency communications.

Respond to NZSAR Service Level Agreement reporting requirements

Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator’s activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.
   **Rationale**
   There is general agreement that current arrangements are appropriate and functional for a system that is reliant on volunteer participating at the local level. The current system encourages collaboration and fosters community engagement – AREC members in practice do not distinguish themselves from being NZART members, and generally utilise the same premises and equipment to carry out their roles. The current system that enables this process to function efficiently and effectively is regarded as simple and transparent, and fit for purpose.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.
   **Rationale**
   The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.

   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

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   Any attempt to fracture the current NZART – AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

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   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services. Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.

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   It may be expected that the number of hours per week during the first six months would peak at 10 and reduce back to six or seven once all information has been collected and systems established.

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   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

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   Equipment already purchased by the Trust has been entered into a register, however this needs to be regularly updated and circulated to key stakeholders including the SAR Secretariat.

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The Trust deed should be updated to reflect how funds are received and banked, how they are expended via cheque or electronic funds transfer.

The Trust deed should define how assets purchased by the Trust are registered and maintained, and this information is presented, for example in response to a requirement in a Service Level Agreement.

The Trust deed should clearly state that the Trust maintains control and ownership of assets that it has purchased, and should contain a clause stipulating how these assets are to be disposed or re-allocated, if in the future the Trust is dissolved.

Any review of the Trust deed should be carried out in consultation with Charities Services to ensure that the Trust’s charitable objectives are maintained to their satisfaction.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.

Rationale
Trustees need to understand their responsibilities and obligations as custodians of the NZART AREC Emergency Funds Trust. There is evidence that this is not the case.

Recommendations for immediate improvements to Trust governance include:

- Assurance that each Trustee is aware of their role and responsibilities associated with an appointment as Trustee.
- Provide funding to train and maintain each Trustee’s knowledge and expertise in their roles.
- The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. Rewrite the Trust deed to mandate a minimum number of meetings per annum, including at least one in person.
- Minutes from each Trust meeting should be available to each of the Trustees and other stakeholders as detailed in the Service Level Agreement.
- The process whereby funds are received and banked, and how they are expended should also be examined and any recommendations to improve transparency and probity should be implemented.
APPENDIX ONE – EXTRACT FROM NZART CONSTITUTION

Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the "Amateur Radio Emergency Communications" group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
A GOVERNANCE AND STRUCTURAL REVIEW OF THE AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC) ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council

By Caravel Group (NZ) Ltd, August 2017
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This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference

The review is expected to:

- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology

Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieve the desired outcomes.

Review Initiation

This project was initiated by discussion with the NZSAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

Review and Fieldwork

Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.

8. Review AREC roles, titles and functions to ensure consistency and clarity.

9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.

10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

This section explains the governance, structure and key roles of the NZART and AREC as they relate to the delivery of search and rescue radio services.

2.1 NZART Structure and Governance

The New Zealand Amateur Radio Transmitters (NZART) represents New Zealand’s amateur radio community nationally and internationally. It was formed in 1926 and was a founding member of the International Amateur Radio Union in 1929. NZART membership is voluntary, with less than 50% of licenced amateur operators estimated as being members.

Members are represented by 12 Councillors elected to the NZART Council which comprises roles of President, Vice President and immediate Past President and nine regional Councillors representing different regional areas across New Zealand in proportion to each region’s membership.

A part-time business manager is employed to manage NZART’s administration functions. Other roles appointed by the Council include the National Director Amateur Radio Emergency Communications (AREC), The Engineering Licensing Group (ELG) and the Administration Liaison Officer (ALO), who is charged with liaison with the Radio Spectrum Management Group of the New Zealand Ministry of Business, Innovation and Employment (MBIE).

NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

2.2 Amateur Radio Emergency Communications (AREC)

The Amateur Radio Emergency Communications (AREC) was formed in 1932 following the Napier earthquake, with the objective of providing reliable radio communications throughout the country during times of emergency. AREC is an associate member of NZART and a member of the New Zealand Search and Rescue (NZSAR) Consultative Committee. Its mission statement is:

"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:

- Maintain a close liaison with the NZ Police and LandSAR for Search and Rescue.
- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.
AREC is involved in providing communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation. Typically, they provide communications equipment and operators at the search headquarters, and providing support for the setting up of equipment and training for the search teams who communicate back to the search headquarters.

AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The trust was de-registered in 2015 for not filing annual accounts over four consecutive years due to administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance and Management

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Co-ordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.
AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one of the four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:

- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

It is noted that the above role description and other similar role descriptions contain misleading and out-of-date terms and designations. These should be updated and promulgated across the NZART and AREC membership.

2.5 NZART AREC Emergency Funds Trust Governance

A review of the current Trust governance arrangements indicates generally poor practice with regards to administration, and a limited understanding of the Trust’s objectives and Trustee’s responsibilities. Observations include:

- No regular Trust meetings, either face-to-face or via conference calls.
- Limited knowledge or understanding of the Trust deed.
- No training in running a Trust, although there is some experience as Trustees of other Trusts.
- While aware of reporting obligations, Trustees have assumed it was someone else’s responsibility.
- Notification about disbursement of Trust funds is generally limited to an email approving transfer of funds from one account to another – without explanation of the purpose.
- No apparent mechanism for transparent recording of Trust assets.

It is stressed that the above situation has developed over a period of time, and does not reflect on the current Trustees’ commitment or dedication to maintaining and delivering AREC’s contracted services.

2.6 AREC Legal Status

NZART is an Incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZSAR in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and an appointee from NZSAR.
The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely “a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment’. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.

There appears to be no apparent reason that the existing NZART AREC Emergency Funds Trust cannot be re-registered quickly. The NZART President has indicated that an application for re-registration has in fact been lodged, with the consent of the previous trustees and submission of annual returns for each year that the Trust was de-registered.

2.7 AREC Service Level Agreement

A joint Service Level Agreement (SLA) with the New Zealand Police, Maritime New Zealand and the Ministry of Transport acting through the New Zealand Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, and for administrative and governance functions.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

The SLA is currently silent on the need to maintain and promulgate a register of equipment purchased using Crown funds and owned by the Trust, including its location and maintenance programme. This information should be made available at least annually to the NZSAR Secretariat, or on demand.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, copies of the registers are awaited for inclusion in this report.

The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent
system of maintaining equipment and frequency registers should be implemented that captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.

From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and action by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in ARECs future operating model and as a prerequisite for future funding allocation.

It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
- Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.
Ensure that AREC members are covered under the NZART Public Liability Insurance coverage when participating in a SAR operation.

Maintain AREC Section Leader /Deputy Leader and local team member records.

Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.

Register expenditure of annual NZSAR grant funding against agreed funding programmes.

Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.

Maintain a register of frequencies assigned to AREC for emergency communications.

Respond to NZSAR Service Level Agreement reporting requirements.

Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator’s activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. **That the existing structure and relationships between NZART, AREC and NZSAR are maintained.**
   
   **Rationale**
   There is general agreement that current arrangements are appropriate and functional for a system that is reliant on volunteer participating at the local level. The current system encourages collaboration and fosters community engagement – AREC members in practice do not distinguish themselves from being NZART members, and generally utilise the same premises and equipment to carry out their roles. The current system that enables this process to function efficiently and effectively is regarded as simple and transparent, and fit for purpose.

2. **That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.**
   
   **Rationale**
   The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.

   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

3. **That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.**
   
   **Rationale**
   Any attempt to fracture the current NZART – AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

4. **That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.**
   
   **Rationale**
   There is general agreement that AREC does not have the capacity or inclination to provide adequate administrative functions to support its reporting and oversight obligations. The NZART’s National Administrator has access to the NZART member database and is knowledgeable in dealing with both NZART and AREC Council members and AREC National and Regional Managers.
An agreement should be negotiated between AREC and NZART regarding the allocation of funds received by AREC towards payment for hours worked by the NZART National Administrator on AREC administration, and a portion of NZART HQ office overheads.

5. **That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.**

   **Rationale**
   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services. Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.

   A fixed sum payment by AREC to NZART is recommended, for a number of hours of AREC administration per week. The hourly rate should be the same as the current NZART rate, and be adjusted to align with any change to the NZART rate in the future.

   It may be expected that the number of hours per week during the first six months would peak at 10 and reduce back to six or seven once all information has been collected and systems established.

6. **A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.**

   **Rationale**
   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

   Up to 20% of NZART HQ’s annual operating costs once salaries are deducted is recommended as an annual payment. Based on available information, this equates to a $4,000 per annum contribution towards NZART HQ’s fixed costs.

7. **That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.**

   **Rationale**
   A prerequisite for AREC membership is paid-up membership of NZART. This is seen as an unnecessary obstacle to other community members participating in SAR operations and offering valuable services in roles such as data entry and transcript recording.

   The main reason for retaining NZART membership is that AREC members are covered by NZART’s Public Liability Insurance scheme when engaged on SAR operations. This ensures
that the risk of injury while “in the field” is mitigated for both individuals, AREC and ultimately NZSAR. The membership requirement obligation should therefore be retained.

There is scope, however for NZART to consider a further membership category – for members wishing to participate in SAR operations and activities without being actively engaged with NZART. A nominal subscription fee should be charged in return for public liability coverage when engaged on a SAR operation. Each applicant seeking this membership category should be nominated by their local Section Leader to ensure that the membership category is not abused.

8. **Review AREC roles, titles and functions to ensure consistency and clarity.**
   **Rationale**
   Descriptions and titles of key stakeholders, including the AREC National Director are outdated and do not reflect their current roles. This may result in confusion about roles and responsibilities for AREC office holders, particularly at the local level. Revised titles and roles should also be reflected in the Service Level Agreement and Trust Deed documents.

9. **That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.**
   **Rationale**
   Equipment already purchased by the Trust has been entered into a register, however this needs to be regularly updated and circulated to key stakeholders including the SAR Secretariat.

   The AREC Service Level Agreement (SLA) should also be amended to include a requirement that a current copy of the equipment register be provided at least annually, or on demand.

10. **That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.**
    **Rationale**
    The current Trust deed is silent on a number of important aspects of its administration and function. The following list indicates some immediate areas where the deed should be amended:
    - The Trust deed should be jointly reviewed by each Trustee of behalf of their organisation to ensure that the Trust’s Objectives and Powers remain fit for purpose in delivering the capability to provide emergency radio services.
    - The Trust deed should be updated to include a description of the training and experience of each Trustee expected on assuming the Trustee role.
    - The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. The Trust deed should be amended to mandate a minimum number of meetings per annum, including at least one meeting held in person.
    - The Trust deed should stipulate that minutes from each Trust meeting are made available to each of the Trustee’s parent organisations and funding agencies.
The Trust deed should be updated to reflect how funds are received and banked, how they are expended via cheque or electronic funds transfer.

The Trust deed should define how assets purchased by the Trust are registered and maintained, and this information is presented, for example in response to a requirement in a Service Level Agreement.

The Trust deed should clearly state that the Trust maintains control and ownership of assets that it has purchased, and should contain a clause stipulating how these assets are to be disposed or re-allocated, if in the future the Trust is dissolved.

Any review of the Trust deed should be carried out in consultation with Charities Services to ensure that the Trust’s charitable objectives are maintained to their satisfaction.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.

Rationale

Trustees need to understand their responsibilities and obligations as custodians of the NZART AREC Emergency Funds Trust. There is evidence that this is not the case.

Recommendations for immediate improvements to Trust governance include:

- Assurance that each Trustee is aware of their role and responsibilities associated with an appointment as Trustee.
- Provide funding to train and maintain each Trustee’s knowledge and expertise in their roles.
- The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. Rewrite the Trust deed to mandate a minimum number of meetings per annum, including at least one in person.
- Minutes from each Trust meeting should be available to each of the Trustees and other stakeholders as detailed in the Service Level Agreement.
- The process whereby funds are received and banked, and how they are expended should also be examined and any recommendations to improve transparency and probity should be implemented.
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Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the "Amateur Radio Emergency Communications" group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
From: Pete Corbett
To: Carl Van Der Meulen; CE Landsar
Cc: Duncan Ferner
Subject: RE: draft review for comment - AREC governance and structure
Date: Monday, 4 September 2017 1:00:20 PM
Attachments: image003.png
AREC Governance and Structural Review Report - DRAFT for Comment (PC).docx

Hi Carl

I have focussed on the commentary and recommendations around the conduct of the Trust and agree with all recommendations – some comments inserted into attached

Cheers

Pete Corbett

Training & Development Manager
New Zealand Land Search and Rescue Inc
Mobile: [redacted]
PO Box 271, Picton, 7250

Donate Now: Visit www.landsar.org.nz – every Dollar helps this charity

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From: Carl Van Der Meulen [mailto:c.vandermeulen@nzsar.govt.nz]
Sent: Monday, 4 September 2017 09:47
To: Pete Corbett; CE Landsar
Cc: Duncan Ferner
Subject: draft review for comment - AREC governance and structure

Good morning Pete (as AREC Trust Trustee) and Dave,

We have received the independent draft review from Caravel on the governance and organisational structure of AREC.

I welcome your comments on the draft review and the 11 recommendations.

Can you please provide any comments by Thursday 7 September, as ideally we would like to present the review and recommendations to the NZSAR Council when it meets on Wednesday 13 September. If the Council accepts the review and recommendations, then we will be able to complete the SLA with the AREC Trust (once the Trust is re-registered, which is in progress) and resume payments.

Regards
Carl van der Meulen
Senior Advisor
New Zealand Search and Rescue Secretariat

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A GOVERNANCE AND STRUCTURAL REVIEW OF THE
AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC)
ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council

By Caravel Group (NZ) Ltd, August 2017
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This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference

The review is expected to:

- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology

Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieved the desired outcomes.

Review Initiation

This project was initiated by discussion with the NZSAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

Review and Fieldwork

Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.

8. Review AREC roles, titles and functions to ensure consistency and clarity.

9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.

10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

This section explains the governance, structure and key roles of the NZART and AREC as they relate to the delivery of search and rescue radio services.

2.1 NZART Structure and Governance

The New Zealand Amateur Radio Transmitters (NZART) represents New Zealand’s amateur radio community nationally and internationally. It was formed in 1926 and was a founding member of the International Amateur Radio Union in 1929. NZART membership is voluntary, with less than 50% of licenced amateur operators estimated as being members.

Members are represented by 12 Councillors elected to the NZART Council which comprises roles of President, Vice President and immediate Past President and nine regional Councillors representing different regional areas across New Zealand in proportion to each region’s membership.

A part-time business manager is employed to manage NZART’s administration functions. Other roles appointed by the Council include the National Director Amateur Radio Emergency Communications (AREC), The Engineering Licensing Group (ELG) and the Administration Liaison Officer (ALO), who is charged with liaison with the Radio Spectrum Management Group of the New Zealand Ministry of Business, Innovation and Employment (MBIE).

NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

2.2 Amateur Radio Emergency Communications (AREC)

The Amateur Radio Emergency Communications (AREC) was formed in 1932 following the Napier earthquake, with the objective of providing reliable radio communications throughout the country during times of emergency. AREC is an associate member of NZART and a member of the New Zealand Search and Rescue (NZSAR) Consultative Committee. Its mission statement is:

"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:
- Maintain a close liaison with the NZ Police and LandSAR for Search and Rescue.
- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.
AREC is involved in providing communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation. Typically, they provide communications equipment and operators at the search headquarters, and providing support for the setting up of equipment and training for the search teams who communicate back to the search headquarters.

AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The Trust was de-registered in 2015 for not filing annual accounts over four consecutive years due to a lack of administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance and Management

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Co-ordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.
AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one of the four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:

- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

It is noted that the above role description and other similar role descriptions contain misleading and out-of-date terms and designations. These should be updated and promulgated across the NZART and AREC membership.

2.5 NZART AREC Emergency Funds Trust Governance

A review of the current Trust governance arrangements indicates generally poor practice with regards to administration, and a limited understanding of the Trust’s objectives and Trustee’s responsibilities. Observations include:

- No regular Trust meetings, either face-to-face or via conference calls.
- Limited knowledge or understanding of the Trust deed.
- No training in running a Trust, although there is some experience as Trustees of other Trusts.
- While aware of reporting obligations, Trustees have assumed it was someone else’s responsibility.
- Notification about disbursement of Trust funds is generally limited to an email approving transfer of funds from one account to another – without explanation of the purpose.
- No apparent mechanism for transparent recording of Trust assets.

It is stressed that the above situation has developed over a period of time, and does not reflect on the current Trustees’ commitment or dedication to maintaining and delivering AREC’s contracted services.

2.6 AREC Legal Status

NZART is an incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZSAR in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and an appointee from NZSAR.
The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely "a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment'. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.

There appears to be no apparent reason that the existing NZART AREC Emergency Funds Trust cannot be re-registered quickly. The NZART President has indicated that an application for re-registration has in fact been lodged, with the consent of the previous trustees and submission of annual returns for each year that the Trust was de-registered.

2.7 AREC Service Level Agreement

A joint Service Level Agreement (SLA) with the New Zealand Police, Maritime New Zealand and the Ministry of Transport acting through the New Zealand Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, and for administrative and governance functions.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

The SLA is currently silent on the need to maintain and promulgate a register of equipment purchased using Crown funds and owned by the Trust, including its location and maintenance programme. This information should be made available at least annually to the NZSAR Secretariat, or on demand.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, copies of the registers are awaited for inclusion in this report.

The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent
system of maintaining equipment and frequency registers should be implemented that captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.

From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and inaction by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in ARECs future operating model and as a prerequisite for future funding allocation.

It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
- Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.

Commented [P3]: Arguably this has already occurred with LandSAR developing it’s own VHF and HF radio communication capabilities – thereby potentially creating a 3 way split – hopefully the current NZSAR radio comms project will mitigate this.
DRAFT

- Ensure that AREC members are covered under the NZART Public Liability Insurance coverage when participating in a SAR operation.
- Maintain AREC Section Leader /Deputy Leader and local team member records.
- Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.
- Register expenditure of annual NZSAR grant funding against agreed funding programmes.
- Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.
- Maintain a register of frequencies assigned to AREC for emergency communications.
- Respond to NZSAR Service Level Agreement reporting requirements.
- Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator's activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.
   **Rationale**
   There is general agreement that current arrangements are appropriate and functional for a system that is reliant on volunteer participating at the local level. The current system encourages collaboration and fosters community engagement – AREC members in practice do not distinguish themselves from being NZART members, and generally utilise the same premises and equipment to carry out their roles. The current system that enables this process to function efficiently and effectively is regarded as simple and transparent, and fit for purpose.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.
   **Rationale**
   The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.
   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.
   **Rationale**
   Any attempt to fracture the current NZART - AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.
   **Rationale**
   There is general agreement that AREC does not have the capacity or inclination to provide adequate administrative functions to support its reporting and oversight obligations. The NZART’s National Administrator has access to the NZART member database and is knowledgeable in dealing with both NZART and AREC Council members and AREC National and Regional Managers.
DRAFT

An agreement should be negotiated between AREC and NZART regarding the allocation of funds received by AREC towards payment for hours worked by the NZART National Administrator on AREC administration, and a portion of NZART HQ office overheads.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.
   
   **Rationale**
   
   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services. Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.

   A fixed sum payment by AREC to NZART is recommended, for a number of hours of AREC administration per week. The hourly rate should be the same as the current NZART rate, and be adjusted to align with any change to the NZART rate in the future.

   It may be expected that the number of hours per week during the first six months would peak at 10 and reduce back to six or seven once all information has been collected and systems established.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

   **Rationale**
   
   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

   Up to 20% of NZART HQ’s annual operating costs once salaries are deducted is recommended as an annual payment. Based on available information, this equates to a $4,000 per annum contribution towards NZART HQ’s fixed costs.

7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.

   **Rationale**
   
   A prerequisite for AREC membership is paid-up membership of NZART. This is seen as an unnecessary obstacle to other community members participating in SAR operations and offering valuable services in roles such as data entry and transcript recording.

   The main reason for retaining NZART membership is that AREC members are covered by NZART’s Public Liability Insurance scheme when engaged on SAR operations. This ensures
DRAFT

that the risk of injury while “in the field” is mitigated for both individuals, AREC and ultimately NZSAR. The membership requirement obligation should therefore be retained.

There is scope, however for NZART to consider a further membership category – for members wishing to participate in SAR operations and activities without being actively engaged with NZART. A nominal subscription fee should be charged in return for public liability coverage when engaged on a SAR operation. Each applicant seeking this membership category should be nominated by their local Section Leader to ensure that the membership category is not abused.

8. Review AREC roles, titles and functions to ensure consistency and clarity.
   **Rationale**
   Descriptions and titles of key stakeholders, including the AREC National Director are outdated and do not reflect their current roles. This may result in confusion about roles and responsibilities for AREC office holders, particularly at the local level. Revised titles and roles should also be reflected in the Service Level Agreement and Trust Deed documents.

9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.
   **Rationale**
   Equipment already purchased by the Trust has been entered into a register, however this needs to be regularly updated and circulated to key stakeholders including the SAR Secretariat.

   The AREC Service Level Agreement (SLA) should also be amended to include a requirement that a current copy of the equipment register be provided at least annually, or on demand.

10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.
    **Rationale**
    The current Trust deed is silent on a number of important aspects of its administration and function. The following list indicates some immediate areas where the deed should be amended:
    - The Trust deed should be jointly reviewed by each Trustee of behalf of their organisation to ensure that the Trust’s Objectives and Powers remain fit for purpose in delivering the capability to provide emergency radio services.
    - The Trust deed should be updated to include a description of the training and experience of each Trustee expected on assuming the Trustee role.
    - The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. The Trust deed should be amended to mandate a minimum number of meetings per annum, including at least one meeting held in person.
    - The Trust deed should stipulate that minutes from each Trust meeting are made available to each of the Trustee’s parent organisations and funding agencies.

Commented [P4]: Agree to all
The Trust deed should be updated to reflect how funds are received and banked, how they are expended via cheque or electronic funds transfer.

The Trust deed should define how assets purchased by the Trust are registered and maintained, and this information is presented, for example in response to a requirement in a Service Level Agreement.

The Trust deed should clearly state that the Trust maintains control and ownership of assets that it has purchased, and should contain a clause stipulating how these assets are to be disposed or re-allocated, if in the future the Trust is dissolved.

Any review of the Trust deed should be carried out in consultation with Charities Services to ensure that the Trust’s charitable objectives are maintained to their satisfaction.

11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.

Rationale
Trustees need to understand their responsibilities and obligations as custodians of the NZART AREC Emergency Funds Trust. There is evidence that this is not the case.

Recommendations for immediate improvements to Trust governance include:

- Assurance that each Trustee is aware of their role and responsibilities associated with an appointment as Trustee.
- Provide funding to train and maintain each Trustee’s knowledge and expertise in their roles.
- The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. Rewrite the Trust deed to mandate a minimum number of meetings per annum, including at least one in person.
- Minutes from each Trust meeting should be available to each of the Trustees and other stakeholders as detailed in the Service Level Agreement.
- The process whereby funds are received and banked, and how they are expended should also be examined and any recommendations to improve transparency and probity should be implemented.
APPENDIX ONE – EXTRACT FROM NZART CONSTITUTION

Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the “Amateur Radio Emergency Communications” group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
Further to the previous inadvertently-sent email-before-completion...

Page 7 – Governance & Management refers to “Class 3 searches” and the “Regional Rescue Coordination Centre” – minor, but needs updating to Cat 2 searches and RCCNZ.

The recommendations still have my support, noting additions to the SLA that “Revised titles and roles should also be reflected in the Service Level Agreement” (rec 8) and that “the SLA to be amended to include a requirement that a current copy of the equipment register be provided at least annually, or on demand” (rec 9).

Back to you....

Senior Sergeant Jo Holden
Training & Development Coordinator: Search and Rescue
NZ Police National Headquarters | P.O. Box 3017 | Wellington 6011

joanne.holden@police.govt.nz

From: HOLDEN, Joanne (Jo)
Sent: Monday, 4 September 2017 11:50 a.m.
To: Carl Van Der Meulen <c.van.dermeulen@nzsar.govt.nz>; Duncan Ferner <d.ferner@nzsar.govt.nz>; Mike Hill <Mike.Hill@maritimenz.govt.nz>; BAIRD, Peter <Peter.Baird@police.govt.nz>
Subject: RE: AREC review for comment

I support the recommendations also, however the document need some corrections:

Page 7 – AREC Governance and Management

Senior Sergeant Jo Holden
Training & Development Coordinator: Search and Rescue
NZ Police National Headquarters | P.O. Box 3017 | Wellington 6011

joanne.holden@police.govt.nz
Subject: AREC review for comment

Good morning Duncan, Pete, Jo, and Mike,

We have received the independent draft report from Caravel about the governance and organisational structure of AREC. As you are aware, we have been unable to finalise the Service Level Agreement (SLA) with AREC due to their ongoing governance/organisational issues.

The draft review contains 11 recommendations, which I support. I welcome your comments on the draft review.

Please provide comment by Thursday 7 September, as I would like to present the report and recommendations to the Council when it meets next week.

Regards

Carl van der Meulen
Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermeulen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz

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Carl,

My comments with just under 3 hours within your deadline...

I note the recommendations. I really don’t have any further comment. We don’t use AREC for Cat II – but I care that we have a competent SAR partner and that they have the right structure and funding transparency.

Mike

---

Good morning Duncan, Pete, Jo, and Mike,

We have received the independent draft report from Caravel about the governance and organisational structure of AREC. As you are aware, we have been unable to finalise the Service Level Agreement (SLA) with AREC due to their ongoing governance/organisational issues.

The draft review contains 11 recommendations, which I support. I welcome your comments on the draft review.

Please provide comment by Thursday 7 September, as I would like to present the report and recommendations to the Council when it meets next week.

Regards

Carl van der Meulen

Senior Advisor
New Zealand Search and Rescue Secretariat
Hi Carl,

Here are the comments by NZART Council re the governance review,

regards

Stuart Watchman

NZART President

On 08 September 2017 at 13:17 Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz> wrote:

Hi Stuart,

Thanks for calling me yesterday to talk about NZART’s concerns with recommendation 7 of the AREC Review.

I am going to be on leave next week, so can you please provide your feedback directly to Jim McMahon (who you’ve already talked to), copy myself.

Regards,

Carl

---

Thanks Carl,
NZART council has its monthly meeting tomorrow night and we will reply soon after that,
regards
Stuart Watchman
On 04 September 2017 at 09:41 Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz> wrote:

Good morning Stuart,

We have received the independent draft review from Caravel on the governance and organisational structure of AREC.

Thank you for engaging with Jim as he worked on this review for us collectively.

I welcome your comments on the draft review and the 11 recommendations.

Can you please provide any comments by Thursday 7 September, as ideally we would like to present the review and recommendations to the NZSAR Council when it meets on Wednesday 13 September. If the Council accepts the review and recommendations, then we will be able to complete the SLA with the AREC Trust (once the Trust is re-registered, which is in progress) and resume payments.

Regards

*Carl van der Meulen*

Senior Advisor

New Zealand Search and Rescue Secretariat

[c.vandermeulen@nzsar.govt.nz](mailto:c.vandermeulen@nzsar.govt.nz)

[www.nzsar.govt.nz](http://www.nzsar.govt.nz)
Comments from NZART Council on the draft Governance and Structural review of the AREC entity
Thank you for the opportunity to comment on this review.

NZART council comment is mainly centred on the recommendations however some comment is required on points made in section 2:

Comment on Section 2
2.9 AREC-NZART Relationship

NZART Council feels that distrust mentioned here is over-stated. The supporting comments referring to declining revenue and influence come as a surprise. NZART council does not believe that there has been any move to ‘insert itself directly’ into the relationship between NZ SAR and presumably AREC. The current NZART President acting as a trustee of the NZART AREC emergency funds trust has been quite specific about requiring more information about the intended use for money that has been requested by AREC to be transferred to the AREC operational account.

This is seen as being in keeping with requirements 6.4 of the trust document:

“Moneys so drawn down may be for a special project or equipment purchase nominated by AREC and approved by the trustees, and may be also for general imprest purposes provided that all such purposes are consistent with the terms of the grant”

2.10 AREC Administration

NZART has public liability insurance for its members which is a benefit of NZART membership.

NZART council is confused about the requirement for this to cover AREC members during a SAR operation. It believes that SAR operations, be it an exercise or an actual ‘search’ are under the oversight of the NZ Police which would over any public liability.

Comment on Specific Recommendations in Section 3

1. Agreed
2. Agreed. This is being worked on at present.
   Additional comment: NZART has become a charitable entity entirely for financial reasons to cease having to pay tax on savings and is at pains to point out that this had nothing whatsoever to do with the NZART AREC Emergency funds trust.
3. Agreed. Most new radio amateurs are recruited by NZART branches and some then become involved in AREC activities.
4. Agreed. NZART Council believes this is an excellent idea.
5. Agreed. NZART Council believes that it should be left to the details of how charging should be made, which would most likely be based on the current business managers hourly rate plus a pro rata proportion of the cost of running the national office.
6. NZART Council believes that the any friction relating to any perceived ‘free ride’ by AREC is overstated. It agrees that a contribution should be made to operating costs but believes the figure quoted is quite arbitrary and needs to be determined by a closer analysis involving the business manager, council and AREC to determine a fair and agreed figure.
7. Please see the comment above under 2.10 re public liability insurance which is seen by the reviewer as one of the drivers for this recommendation.
Additionally, public liability insurance aside, NZART Council believes the reviewer’s rationale for the recommendation does not make sense. There is currently no bar for a non-transmitting member to perform supporting duties for AREC during SAR activities.

Two members of the NZART Council are actively involved in AREC operations and have had experience of SAR personnel working alongside AREC in a search operation performing data entry. They have not seen any problem with those personnel not being AREC/NZART members.

There has never been a request received by NZART Council from AREC requesting such a sub-category of NZART membership.

It must be made clear that NZART membership categories are determined by its constitution. A new membership category would require a change to this document. Such a change can only be made at an association AGM, the next will be Queens Birthday weekend 2018. Such a change requires a 60% majority vote by the members. NZART council does not believe the wider membership would support a new category of membership given that the rationale here is not strong.

8. Agreed
9. Agreed and NZART Council points out that AREC has undertaken considerable work in this area
10. NZART Council believes this should be looked at, perhaps a workshop session with NZ SAR and the three trustees to determine what changes are required using this recommendation as a guide.
11. There is overlap here with recommendation 10 specifically the frequency of trust meetings etc. That aside, it would be a good idea if some proprietary basic course in governance were available for the trustees be required to attend.

NZART Council
8th September 2017
**AREC Governance Review**

1. Amateur Radio Emergency Communications (AREC), a sub-set of NZ Association of Radio Transmitters (NZART), provides specialist radio communications support to land-based SAR operations.

2. The Council has a Service Level Agreement with AREC, with the funds paid to a charitable trust (NZART AREC Emergency Funds Trust “Trust”) which sits within the NZART Incorporated Society. The Trust is currently de-registered.

3. The Secretariat identified a number of concerns with the governance arrangements and organisational responsibilities of AREC and its associated Trust. The NZSAR Council SLA for the 2017/18-19/20 period was delayed until a review into these concerns could be undertaken.

4. Caravel Group was engaged to review the existing AREC governance and structural arrangements. The draft report is at Enclosure 1 and is currently undergoing consultation. The draft report found that the existing structure and relationships between NZART, AREC, and NZSAR are broadly satisfactory. The draft review contains 11 recommendations. The proposed recommendations and a table of possible actions is at appendix A.

5. Once the report has been accepted by AREC, NZART, and NZSAR, the Secretariat proposes to finalise the both SLA and its associated 2017/2018 Council letter of intent.

6. At this time NZ Police and MNZ have indicated they support all of the reviews recommendations. NZART objects to recommendation 7 (relating to membership structures) and AREC is yet to reply. Recommendation 7 is not perceived by NZSAR as critical to addressing the original set of concerns and is therefore negotiable.
7. **Recommendations.** I recommend that the Council:

a. **Accepts** the draft AREC Governance and Structural Review as presented by Caravel group;

b. **Approves** the table of proposed actions for recommendations 1-6 & 8-11

c. **Approves** the updated 2017/2018 NZSAR Council letter of intent for AREC.

d. **Directs** the NZSAR Secretariat to further consult with NZART and AREC regarding recommendation 7 and associated actions – if any.

Carl van der Meulen  
Senior Advisor  
NZSAR Secretariat

**Appendix A:** Table of recommendations and proposed actions

**Enclosures:**

1. AREC Governance Review
2. NZSAR Council 2017/2018 draft AREC letter of intent
### Appendix A: Table of Recommendations and Proposed Actions – AREC Governance Review

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
<th>Proposed Actions</th>
<th>Responsibility</th>
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</table>
| 1  | That the existing structure and relationships between NZART, AREC and NZSAR are maintained.                                                      | This is the key finding of the report, as it relates to the continuation of NZSAR Council SLA funding.  
Update the SLA to ensure there is clarity about this relationship in the SLA, and to include both the NZART and AREC Trustees of the 'NZART AREC Emergency Funds Trust' as co-signatories for the Trust. | Nil action    |
| 2  | That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.               | This action is currently underway  
Evidence of re-registration to be provided to the NZSAR Secretariat                                                                                                                                         | NZART Trustee |
| 3  | That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities. | This is the key finding of the report, as it relates to the operational arrangements between NZART and AREC.  
Ensure there is clarity about the operational relationship in the SLA.                                                                                                                                     | Nil action    |
| 4  | That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.    | AREC to enter an arrangement with NZART for the national administrator to provide the administrative functions as outlined in this recommendation                                                                 | AREC / NZART  |
| 5  | That the Administrator is recompened from the grant funding provided by NZSAR to AREC.                                                          | AREC to recompense the NZART National Administrator for the provision of administrative support to the Trust  
This has been added to the letter of intent                                                                                                                                                    | AREC / NZART  |
| 6  | A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.                               | AREC to allocate a portion of SLA funding as a contribution towards NZART’s fixed costs and overheads  
This has been added to the letter of intent                                                                                                                                                    | AREC / NZART  |
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<th>#</th>
<th>Recommendation</th>
<th>Proposed Actions</th>
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<tr>
<td>7</td>
<td>That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.</td>
<td>TBC. NZART has questioned this recommendation, and is currently following up on this with the reviewer and AREC</td>
<td>Reviewer</td>
</tr>
<tr>
<td>8</td>
<td>Review AREC roles, titles and functions to ensure consistency and clarity.</td>
<td>AREC to review their roles, titles, and functions as outlined in this recommendation</td>
<td>AREC</td>
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<td>9</td>
<td>That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.</td>
<td>AREC to provide a register of equipment purchased using Crown funding on an annual basis</td>
<td>AREC</td>
</tr>
<tr>
<td>10</td>
<td>That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.</td>
<td>NZART AREC Emergency Fund Trustees to complete this action point</td>
<td>Trustees</td>
</tr>
<tr>
<td>11</td>
<td>Trustees should be knowledgeable and conversant with their responsibilities and obligations.</td>
<td>Trustees will be expected to complete relevant training provided by the Institute of Directors</td>
<td>Trustees</td>
</tr>
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</table>

This has been added to the letter of intent.
26 October 2017

NZSAR4-4

Jeff Sayer
AREC

Dear Jeff,

NZSAR COUNCIL SERVICE LEVEL AGREEMENT EXPECTATIONS FOR 2017-18

The NZSAR Council seeks the adequate provision of safe and competent search and rescue services for all areas of New Zealand. The NZSAR Council is pleased to be able to renew our joint Service Level Agreement (SLA) with AREC for the period 2017/18 to 2019/20. The joint SLA is intended to assist AREC maintain a robust organisation, as well as developing and sustaining your search and rescue capabilities for use by the coordinating authorities. It is also our desire that the SLA contributes directly to the achievement of NZSAR Council goals.

NZSAR Council (Crown) SLA payments are to be applied toward those activities where the benefits are widely felt and/or less tangible in nature and, hence, less amenable to funding by third parties. Examples of the sorts of activities that could fall into this category include the following:

- The governance and management of AREC.
- Research and analysis aimed at making AREC, and the system as a whole, as efficient and effective as possible.
- Cross-agency initiatives, because of the benefits that such initiatives potentially have for the sustainability of the system as a whole.

As part of our leadership role, the Council seeks to shape and direct the sector. For 2017-18, we expect AREC to apply some of its SLA funding on these areas:

1. Supporting AREC develop robust governance and financial management arrangements. This is to include appropriate governance training for all AREC Trustees.

2. Review AREC roles, titles, and functions to ensure consistency and clarity (as per recommendation 7 of the AREC Governance Review).

3. Update the NZART AREC Emergency Funds Trust deed to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the
purpose and objectives of the Trust (as per recommendation 10 of the AREC Governance Review).

4. Recompensing the NZART Administrator for the provision of administrative support to AREC (as per recommendation 5 of the AREC Governance Review).

5. Contribute $4,000 (ex GST) to NZART’s fixed costs and overheads (as per recommendation 6 of the AREC Governance Review).

6. Assisting AREC to meet SAR Health and Safety and other legal obligations.

7. Supporting and implementing the work of the SAR Telecommunications Working Group (Land).

8. Implementing IT changes resulting from NZSAR project SARdonyx.

9. Supporting AREC’s active participation in multi-agency forums, SAR exercises and collective training events.

10. Supporting the development and implementation NZSAR’s sector assurance programme.

11. Supporting the establishment of New Zealand’s Search and Rescue Guidelines.

The NZSAR Council expects AREC to have practices and procedures appropriate for the provision of efficient and effective search and rescue response and support services.

With these priorities in mind, the Council would be grateful if AREC could respond in writing by 24 November 2017 (tbc) outlining AREC’s 2017/18 planned expenditure of SLA funding.

The NZSAR Council is pleased with the relationship we have with AREC and trusts this is reciprocated. We are especially impressed by the dedication and commitment of AREC’s volunteers as they provide search and rescue services to the coordinating authorities.

Peter Mersi
Chair
New Zealand Search and Rescue Council
Minutes of Meeting
New Zealand Search and Rescue Council
1-3pm Wednesday 13 September 2017
Wellington Conference Centre
Level 7, 50 Customhouse Quay, Wellington

Present:
Peter Mersi – MoT (Chair)
Chris Scahill - NZ Police
John Kay – CAA
Keith Manch – MNZ
Brigadier John Boswell - NZDF
Dave Comber – Independent Member

In Attendance:
Pete Baird – NZ Police
Chris Ford - CAA
Mike Hill – RCCNZ
Rachel Roberts – NZSAR
Duncan Ferner – NZSAR
Rhett Emery – NZSAR
John Pine – NZ Police
Lauren James – Minute taker

1. Welcome
Peter Mersi opened the meeting by welcoming attendees.

2. Apologies
Mervyn English, DOC
Graeme Harris, CAA
Harry Maher, DOC
Mike Rusbatch, NZ Police
Stephen Ross – NZSAR

3. Minutes of Meeting held 31 May 2017
The minutes from the 31 May 2017 meeting were accepted as a true and accurate record.
4. Actions Arising from Previous Meeting

NZNAR Council Action and Responsibility Table - Meeting of 31 May 2017

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<th>Item</th>
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<tr>
<td>7.</td>
<td>NZSAR Strategy</td>
<td>Secretariat Completed</td>
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<td></td>
<td>The Council approved the NZSAR Strategy 2017-2020</td>
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<td>8.</td>
<td>2017-2020 Service Level Agreements</td>
<td>Secretariat See agenda item 8</td>
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<td></td>
<td>The Council approved the five NZSAR Council Service Level Agreements.</td>
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<td>9.</td>
<td>Letters of Intent</td>
<td>Secretariat On Agenda Item 8</td>
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<td></td>
<td>The Council agreed to the SLA letters of intent, with the addition of a statement that the Council will write again in March. The Secretariat to update the letters, and to send them once the SLAs are signed.</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>NZSAR Secretarial Budget and NSSP 2017/2018</td>
<td>Decision – no further action required</td>
</tr>
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5. SLA Monitoring Report for the April to June 2017 Quarter

Volunteer hours (9,747) for the quarter (winter) were significant and 37 lives were saved. The LandSAR CEO resigned at short notice. Pat Waite has been appointed as interim LandSAR CEO. The quarter was quiet for SLSNZ. 2,084 Coastguard volunteers responded to 473 non-SAR related calls for assistance.

The Council noted the SLA Monitoring Report.

6. Sector Update

Keith Manch reported that Antarctica NZ has been in communication with the IMO trying to advance Polar Code 2 to include fishing vessels and yachts entering Antarctic waters.

The sector update report was noted and taken as read.

7. NZSAR Activity report 2016-2017

The NZSAR activity report 2016-17 showed a variety of trends since 2010 and provided more detailed statistics than has been provided in the past.

The figures indicated that volunteers are providing support for larger and more time-consuming operations though some agencies are being called out less frequently. Occasional, long duration operations consume significant volunteer time. The Council noted the challenge of retaining volunteers when the incidents are becoming less frequent.
SAR incidents by environment showed an overall decrease in the number of marine incidents but an increase in the number of land incidents over seven years. There is little variation in the number of incidents by air over the period.

A trend line has been added to the subject behaviours for the 'Wanderer' category which shows a modest increase over the last seven years. This category is not increasing to the extent that was anticipated several years ago. The reduction in category 1 land incidents for the 2016-2017 year could in part be attributed to the poor summer weather.

The SAR activity report was noted.

8. Service Level Agreements 2017/18-2019/20

a. SLA letter exchanges and measures

Coastguard NZ has provided KPIs and measures for their additional funding which is intended for fundraising activities. Payment for these functions has commenced as these were reviewed and approved as part of the business case to Joint Ministers in 2016.

At its May meeting, the Council expressed some strong reservations about LandSAR’s initial plans for its additional funding for the implementation of the Safer Walking (Wander) Partnership Framework. The Secretariat then engaged with LandSAR NZ to shape the preparation of revised targets, outcome measures and KPIs. Payment for these functions has been withheld pending NZSAR Council approval. The Council indicated comfort with the revised direction and delegated power to Duncan to renegotiate the final outcome measures and KPI’s with LandSAR.

Decisions:
1. The Council noted and accepted the replies from Coastguard NZ, LandSAR NZ, and Surf Life Saving NZ to the Council's 2017/2018 letters of intent.
2. The Council noted the Coastguard NZ KPIs and measures for their specific additional funding.
3. The Council delegated power to Duncan Ferner to renegotiate the table of outcome measures and KPIs for LandSAR NZ’s specific additional funding and commence payments once complete.

Action: Duncan Ferner is to renegotiate LandSAR’s outcome measures and KPIs for specific additional funding.
b. AREC Governance and Organisational Review

Council considered the draft report of the Governance and Structural Review of the Amateur Radio Emergency Communications (AREC) entity prepared by Caravel Group. The draft review contains the following 11 recommendations:

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.
2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.
3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.
4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.
5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.
6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.
7. That a sub-category of NZART membership be created to enable non-transmitting NZART’s members to participate in and support AREC search and rescue activities while receiving public liability coverage provided by NZART.
8. Review AREC roles, titles and functions to ensure consistency and clarity.
9. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.
10. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.
11. Trustees should be knowledgeable and conversant with their responsibilities and obligations.

NZ Police and MNZ have indicated they support all the review’s recommendations. NZART objects to recommendation 7 which relates to membership structures and AREC is yet to reply.

Decisions:
1. The Council accepted the draft AREC Governance and Structural Review as presented by Caravel group.
2. The Council approved the table of proposed actions for recommendations 1-6 and 8-11.
3. The Council **approved** the updated 2017/2018 NZSAR Council letter of intent for AREC.

4. The Council **directed** the NZSAR Secretariat to further consult with NZART and AREC regarding recommendation 7 and associated actions – if any.

**Action:**
The Secretariat to **finalise** the letter of intent to AREC.

9. **NZSAR Risk Matrix**

Duncan advised that SAR information risk (1) and the recreational knowledge (6) risks were due for review by the SAR Council (last reviewed 2014).

a. **SAR Information (Risk 1)**

This risk was discussed by the Consultative Committee at its August 2017 meeting. The Committee agreed that the risk treatments were well articulated and appropriate but suggested some minor changes be made including to the risk description. Project SARdonyx will provide for improved data collection and analysis. The SAR ‘customer’s survey’ could also provide additional information about future demand.

b. **Recreational Knowledge (Risk 6)**

Implementation of the NZinc Recreational Safety Framework’s recommendations is scheduled to commence in the last quarter of 2017 (“NZinc” was taken to mean all NZ government departments, agencies and other relevant safety agencies). There are various research projects underway which are intended to identify gaps and opportunities in the provision of safety information. The initial aim is to gain clarity around prevention effort, the relative effect of the effort and to give agencies confidence of NZSAR’s role as an enabler.

During the summer the Secretariat intends to survey people undertaking land recreation and their preparedness for their activity. A separate ‘SAR customer’ survey will engage with people who have experienced SAR services to better understand their perspective and what might have been done to prevent the need for SAR in the first place.

The Council was of the view that the risk refers to ‘outdoor public safety’ instead of ‘recreational knowledge’. Duncan was asked to update the risk description.
10. SAR (ACE) Individual Training

The last Council meeting agreed that Peter Mersi would write to TEC outlining the core concerns around the current arrangements for TEC funded SAR individual training.

The core concerns include:

- rules and regulations for funding and reporting;
- training material ownership and flexibility;
- bureaucratic procedures; and
- the future of TPP.

A meeting with TEC will be held Monday, 18 September along with representatives from Ministry of Education and NZ Qualifications Authority. TEC have indicated they recognise the problems facing the current model but there is a limit to what will be possible for the 2018 year. They have indicated that any changes to the SAR funding model will be considered alongside EM (ACE) arrangements.

The SAR (ACE) student engagement survey was repeated. The Net Promoter Score (a proxy satisfaction gauge) by students who undertook training in 2016 was +51 compared to the score of +61 by the students in 2015. Small declines were also observed in:

- Agreed the assessment was fair
- Agreed taught me skills very relevant to the tasks I do for SAR
- Positive about timing of the course

Results were positive regarding skills and safety practices for SAR operations:

- 94% agreed team work was encouraged on the last course they attended.
- 93% agreed that tutors ensured Health and Safety practices were followed.

11. NZSRR Boundaries

Mike Hill reported that Graeme Harris is chairing a meeting in Bangkok where Fiji has made a submission for some changes to the NZ SAR Region (NZSRR) boundaries. The proposed change would significantly reduce the size of the NZSRR. From the brief information received to date, it is unclear why Fiji might be requesting this change. Keith Manch reported that information from the CAA indicated there had been an error in the drawing of the co-ordinates. They are waiting for Graeme to return to New Zealand with a more definitive report.

RCCNZ has been approached by Fiji Air Services to deliver SAR training in Fiji.
12. HRB Follow up

Duncan reported that Carl attended the Hazard Risk Board Senior Officials Group (HRB SOG) on 4 July 2017 to discuss measures to resolve the four systemic issues raised on 4 May 2017 to HRB. NZSAR is due to report back to HRB on 4 October 2017. The proposed report back includes:

**Issue #1:** The development of a single plan for nationally significant SAR operations (Mass Rescue / Extensive Search) remains an urgent requirement.
Responsibility: RCCNZ & NZ Police (as per MRO Policy approved 9 June 2016)
Complete by: 15 December 2017

There was some doubt expressed by Council members about achieving the completion date in view of the many agencies involved. Mike Hill indicated he was optimistic that there will be a plan by 15 December 2017.

**Issue #2:** Incompatible organisational IT systems is a major impediment to gaining and maintaining situational awareness.
Responsibility: AoG project led by FENZ
Complete by: unknown/ongoing

Duncan understands the proposed FENZ solution will be at the RESTRICTED level and be for non-operational purposes. It is not likely to resolve the observed situational awareness problem. SAR agencies will focus on the proactive use of liaison personnel and co-location to mitigate the issue.

Keith Manch noted the need to have a very clear and short IMT induction arrangement. Typically, a range of programmes are used in an IMT but communication between the leading agencies at present is via manual oral communication. It remains difficult for those in charge to get situational awareness and gaps develop. Knowing what is available, what they offer and how to use them to the best advantage can improve situational awareness. The core requirement being that there needs to be sufficient understanding so that people can make timely and relevant decisions.

**Issue #3:** Many people in response organisations at the District level possess an inadequate understanding of CIMS (particularly at the multi-agency/multi-response level).
Responsibility: NSS Training Development Group (TDG)
Complete by: unknown/ongoing

NZSAR’s concerns reinforced the concerns of other agencies. The matter is seen as a National Security System (NSS) priority. The NSS Training Development Group (TDG) has been tasked with improving CIMS understanding and practice across agencies. The NSS TDG is planning new courses, standards, and expectations of competency.
Issue #4: No common system or process for the reconciliation of large numbers of distressed / missing people exists.
Responsibility: Police and MCDEM
Complete by: unknown/ongoing

1. Much of the current effort is focused on Police Enquiry & Civil Defence Welfare functions for a large-scale incident where it is anticipated join-up of systems up to 3+ days after major event i.e. earthquake.

2. Police ‘Enquiry’ Function will include voluntary registration via the Red Cross ‘Restoring Family Links’ system. It may not be able to import ship/aircraft manifests. It is primarily intended for people who choose to put names in the system – i.e. to report someone is missing.

3. MCDEM is conducting a Welfare Registration Needs Assessment Review Project and establishing a common minimum data set.

NZSAR will hold a reconciliation requirements workshop to clarify SAR needs.

13. Mass Transport Incident Strategy and Exercise

The Ministry of Transport is developing a Transport Hazard Management Strategy (THMS) to provide the overall framework to direct and guide key transport sector stakeholders’ planning and operational responses to ‘all-hazard major transport incidents’. The THMS will be developed using the 4Rs framework. It will consider the existing planning undertaken by the various transport sector entities and those of other agencies within the National Security System. MoT is currently assessing the one bid that has come in through an RFP process for a contractor to deliver the THMS.

Transport Incident Exercise

A major transport incident national exercise has been scheduled as part of the National Exercise Programme for April 2019. The exercise will test procedures to respond to a major transport incident, which requires the activation of the National Security System. The THMS would assist in determining what should be exercised. The plan is to have a ‘crawl’ and a ‘walk’ exercise in the lead up to the ‘run’ exercise in April 2019. At this stage no decision has been made on what will be included in the exercise, but the initial thinking is that it will include a mass rescue component.

A steering group has been put in place to provide governance and input into both the THMS and the Exercise. The NZSAR Secretariat is part of the Steering Group which also includes members from NZ Police, MNZ, CAA, MCDEM, NZTA, NZDF and MoT.

Funding the MTI Exercise

The Ministry is in the process of putting together a budget bid for the exercise. The cost of the exercise will be dependent on whether a live mass rescue
exercise will be conducted as part of the exercise. The first stage of the budget bid is due to be completed by 2 October for consideration by MoT’s Senior Leadership Team who will consider the Ministry’s potential bids alongside other potential bids coming from the transport sector.

14. Independent Council Member

Duncan reported that Dave Comber’s term as an Independent Council member expires at the end of February 2018. Appointment to this position is a two-stage process approved by Council in 2015 where the NZSAR Council identifies a suitable person and then seeks endorsement from the Consultative Committee.

The selected person is expected to:
• Contribute meaningfully to the Council’s strategic leadership, policy and advisory functions.
• Represent the non-governmental elements of the SAR sector at the NZSAR Council.
• Be a conduit of NZSAR Council thinking back to the wider SAR sector.

Ian Coard (Coastguard NZ) was identified as someone who may be suitable. Ian is currently harbormaster in Southland and has a wealth of experience in different positions within Coastguard, including at the Governance level. He has broad and lengthy involvement with SAR and he received a NZSAR Council Award this year.

No other suggestions were put forward to be the next Independent NZSAR Council Member.

Decision: The Council agreed to Ian Coard being referred to the Consultative Committee for consideration.

Action: The Council directed the Secretariat to refer the candidate to the Consultative Committee for consideration.
15. **NSSP 2017/18**


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<td>SAR Case Study Seminar / Police Planning</td>
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<td>SAR Information System (SARdonyx)</td>
<td>Safety Codes, printing and advertising</td>
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<td>SAR (land) IMT IT</td>
<td>SAR Research</td>
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<td>Portable Mobile Phone Location</td>
<td>Survey of SAR Customers</td>
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<td>Update NZSAR Resources database</td>
<td>SAR Communications – Land (STWG(L))</td>
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<td>Develop New Zealand's SAR Guidelines</td>
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<td>SAR Demand and Supply Study – Land</td>
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<td>Mass Rescue Study</td>
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<td>SAR Aviation Engagement Framework</td>
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16. **2017/18 Air Ambulance contract process**

The contract process is led by the National Ambulance Sector Office (NASO), an agency of MoH and ACC. The focus is on air ambulance fixed and rotary including inter-hospital transfer. They are conducting a co-design needs process prior to formal procurement and all options and possibilities are on the table. NASO seek to increase performance and safety, maximise utilisation and reduce overall costs to Health.

NASO funded tasks represent about 80% of most air operators’ workload. (SAR is approximately 5%). Many operators are significantly funded via charitable and other means. The Air Ambulance standard is a critical element of the current contract.

SAR has strong interest in this process as we rely very heavily (and increasingly so) on rescue helicopters. Having excess helicopter capacity can mean they are more likely to be available for SAR. The skills required for air ambulance work are similar for SAR and are not common in the commercial market (winch etc). Depending on the mission, we can share costs with NASO.

SAR can have differences with NASO requirements as the medical capabilities of the operators are often more than is required for SAR, we also often use machines other than the rescue helicopters and the Air Rescue Standard is an optional element for SAR.
17. Combined workshop 22 November – Environmental Scan

The Combined workshop is planned for 22 November, having been cancelled in 2016 due to the earthquake. Duncan suggested discussion on a “SAR Environmental Scan” – next 5 to 15 years as the topic.

**Decision:** Council agreed the seminar topic would be “SAR environmental scan – next 5 to 15 years”.

18. SAR Sector Health and Safety

Rhett reported on the NZSAR Strategic Occupational Health and Safety Committee meeting held on 23 August 2017. The system appears to be developing satisfactorily and NZSAR will work with the two co-ordinating authorities to further explore the capture of health and safety-related incident information and provide reports. A revised version of the process to capture near miss incidents is being developed. PCBU responsibilities have been accepted by all agencies except LandSAR.

19. General Business

a. Wahine 50th Commemorations / NZSAR Awards 2018

10 April 2018

Wahine 50 events including a SAR Agency display at Shed 6 will be held during the day. There remains the possibility of a small demonstration of SAR skills. The NZSAR annual awards will be presented during the evening (in Shed 6). The Governor General has been invited to make the presentations, with a Minister or member of Council as alternates. The Consultative Committee will meet on a separate day.

The agency display would have ‘stands’ promoting key SAR safety messages and would provide an excellent opportunity for agencies to market their work. This will require agency commitment.

b. Independent review

The Council discussed a recent high profile SAROP on the Central Plateau (Operation Mangatawhai). The SAROP took over several weeks to resolve and involved a large number of people from a range of agencies from across the North Island (approximately 280 volunteers and 60 Police).

The Council considered the possibility of conducting an independent review into the ‘SAR systems’ aspects of this incident. The Council has an independent review policy and has completed several of them in the past. Peter saw this as a great learning opportunity from an NZSAR perspective but careful consideration would be required in drawing up the TOR.
Action: The Secretariat is to **draft** a proposal for an independent review into Operation Mangatawai and **discuss** with NZ Police and RCCNZ.

**Proposed next meetings:**

- Wednesday, 22 November 2017 – Combined Workshop

Peter Mersi  
Chair  
NZSAR Council
# NZSAR Council Action and Responsibility Table - Meeting of 13 September 2017

<table>
<thead>
<tr>
<th>Item</th>
<th>Actions &amp; Decisions</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>8a.</td>
<td><strong>Service Level Agreements 2017/18-2019/2020</strong>&lt;br&gt;The Council <em>noted</em> and <em>accepted</em> the replies from Coastguard NZ, LandSAR NZ, and Surf Life Saving NZ to the Council’s 2017/2018 letters of intent.&lt;br&gt;The Council <em>noted</em> the Coastguard NZ KPIs and measures for their specific additional funding.&lt;br&gt;The Council <em>delegated</em> power to Duncan Ferner to renegotiate the table of outcome measures and KPIs for LandSAR NZ’s specific additional funding and commence payments once complete.&lt;br&gt;Duncan Ferner is to renegotiate LandSAR’s outcome measures and KPIs for specific additional funding.</td>
<td>Decision&lt;br&gt;Decision&lt;br&gt;Secretariat</td>
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<tr>
<td>8b.</td>
<td><strong>AREC Governance and Organisational Review</strong>&lt;br&gt;The Council <em>accepted</em> the draft AREC Governance and Structural Review as presented by Caravel group.&lt;br&gt;The Council <em>approved</em> the table of proposed actions for recommendations 1-6 and 8-11.&lt;br&gt;The Council <em>approved</em> the updated 2017/2018 NZSAR Council letter of intent for AREC.&lt;br&gt;The Council <em>directed</em> the NZSAR Secretariat to further consult with NZART and AREC regarding recommendation 7 and associated actions – if any.&lt;br&gt;The Secretariat to <em>finalise</em> the draft letter of intent to AREC.</td>
<td>Decision&lt;br&gt;Decision&lt;br&gt;Secretariat&lt;br&gt;Secretary</td>
</tr>
<tr>
<td>14.</td>
<td><strong>Independent Council member</strong>&lt;br&gt;The Council <em>directed</em> the Secretariat to <em>refer</em> the candidate Ian Coard to the Consultative Committee for consideration.</td>
<td>Secretariat</td>
</tr>
<tr>
<td>17.</td>
<td><strong>Combined workshop 22 November</strong>&lt;br&gt;Council <em>agreed</em> the seminar topic for the Combined Workshop on 22 November would be “SAR environmental scan – next 5 to 15 years”.</td>
<td>Secretariat</td>
</tr>
<tr>
<td>19b.</td>
<td><strong>Independent review</strong>&lt;br&gt;The Secretariat to <em>draft</em> a proposal for an independent review into Operation Mangatawhai and <em>discuss</em> with NZ Police.</td>
<td>Secretariat</td>
</tr>
</tbody>
</table>
OK - please move with best speed to address recs, devise monitoring/achievement arrangements so that we can implement the SLA.

Regards

Duncan

Duncan Ferner
NZ Search and Rescue
www.nzsar.govt.nz
www.adventuresmart.org.nz

From: Carl Van Der Meulen
Sent: Thursday, 21 September 2017 10:41 a.m.
To: Duncan Ferner
Subject: AREC review update

I just met with Jim to discuss the AREC review. Advised him that the Council had considered the recs and our proposed actions last week.

Jim received feedback about rec 7 from NZART, and he is going to remove that rec from the review. He will add a bit more to the report about non-transmitting (support) membership, and expand rec 8 (clarify roles and responsibilities) to also include non-transmitting support personnel.

I'm happy with this approach.

Regards

Carl van der Meulen
Senior Advisor
New Zealand Search and Rescue Secretariat
www.nzsar.govt.nz
www.adventuresmart.org.nz
Great, thanks Carl

Invoice to follow….

Regards

Jim

From: Carl Van Der Meulen [mailto:c.vandermeulen@nzsar.govt.nz]  
Sent: 26 September, 2017 2:27 PM  
To: Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz>; Jim McMahon <jim.mcmahon@caravel.co.nz>  
Cc: Duncan Ferner <d.ferner@nzsar.govt.nz>  
Subject: RE: AREC Governance and Structural Review Report - FINAL

Hi Jim,

We are happy with the changes you have made to the review based on our discussion last week, please send through the final version of your report.

Your invoice should be emailed to MOT.an@digitize.power-business.co.nz

Thanks,  
Carl

From: Jim McMahon [mailto:jim.mcmahon@caravel.co.nz]  
Sent: Thursday, 21 September 2017 1:22 p.m.  
To: Carl Van Der Meulen  
Subject: AREC Governance and Structural Review Report - FINAL

Hello Carl

Thanks for the time to meeting this morning. I have updated the draft report to reflect our
discussion and enclose a marked-up copy for your review before a final release.

Regards

Jim

Disclaimer:
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A GOVERNANCE AND STRUCTURAL REVIEW OF THE
AMATEUR RADIO EMERGENCY COMMUNICATIONS (AREC)
ENTITY

Prepared for the Secretariat, New Zealand Search and Rescue Council
By Caravel Group (NZ) Ltd, September 2017
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This report has been prepared on the basis set out in the Contract for Services with the Ministry of Transport and should be read in conjunction with this document. This report is for the benefit of the Manager – SAR Secretariat for use at their discretion. We have not verified the reliability or accuracy of any information obtained in the course of our work. However, we can confirm that this report has been reviewed by the Manager – SAR Secretariat for factual accuracy.
1 Executive Summary

1.1 Introduction

1.1.1. Terms of Reference
The review is expected to:

- Explain the following aspects of AREC and NZART:
  - Organisational Structure and governance arrangements
  - Roles and functions
  - Membership and relationships
- Confirm the control and ownership status of radios, repeaters and associated licenses purchased with Crown funding
- Review the current arrangement for Crown funding of the AREC Trust and the associated accountabilities
- Make recommendations for the organisational structure to provide specialist radio communications services, and associated Crown funding
- Develop a pathway for any recommended changes to the organisational structure

1.1.2. Methodology
Caravel uses a process of structured interviews with key stakeholders to collect information and supporting evidence to determine the current situation. Information is also collected through document review.

Once a body of knowledge has been collected, Caravel begins an analysis process to establish facts about the problems and issues associated that need to be addressed. This in turn leads to the development and weighting of options that may resolve the problems, and a set of recommendations of changes necessary to achieved the desired outcomes.

**Review Initiation**

This project was initiated by discussion with the NZSAR Secretariat to understand their current areas of concern about the relationship between AREC and NZART, and how these impact on delivery of communications to support search and rescue activities within New Zealand’s landmass.

**Review and Fieldwork**

Information to support the findings, analysis and recommendations presented in the review has been collected through a combination of document and interviews with key stakeholders including the NZART President, the AREC National Director and other members of both organisations.
1.1.3. Recommendations

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.

5. That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.

6. A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.

7. Review AREC roles, titles and functions to ensure consistency and clarity.

8. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.

9. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.

10. Trustees should be knowledgeable and conversant with their responsibilities and obligations.
2 NZART and AREC Governance and Organisation

Members of the New Zealand Association of Radio Transmitters (NZART) and the Amateur Radio Emergency Communications (AREC) entities play an important role in the provision of radio communications capability to support land-based search and rescue operations within New Zealand.

This section explains the governance, structure and key roles of the NZART and AREC as they relate to the delivery of search and rescue radio services.

2.1 NZART Structure and Governance

The New Zealand Amateur Radio Transmitters (NZART) represents New Zealand’s amateur radio community nationally and internationally. It was formed in 1926 and was a founding member of the International Amateur Radio Union in 1929. NZART membership is voluntary, with less than 50% of licenced amateur operators estimated as being members.

Members are represented by 12 Councillors elected to the NZART Council which comprises roles of President, Vice President and immediate Past President and nine regional Councillors representing different regional areas across New Zealand in proportion to each region’s membership.

A part-time business manager is employed to manage NZART’s administration functions. Other roles appointed by the Council include the National Director Amateur Radio Emergency Communications (AREC), The Engineering Licensing Group (ELG) and the Administration Liaison Officer (ALO), who is charged with liaison with the Radio Spectrum Management Group of the New Zealand Ministry of Business, Innovation and Employment (MBIE).

NZART local branches are generally incorporated in their own right and operate independently of the national body. Interaction between local and national bodies occurs at an annual National Conference.

2.2 Amateur Radio Emergency Communications (AREC)

The Amateur Radio Emergency Communications (AREC) was formed in 1932 following the Napier earthquake, with the objective of providing reliable radio communications throughout the country during times of emergency. AREC is an associate member of NZART and a member of the New Zealand Search and Rescue (NZSAR) Consultative Committee. Its mission statement is:

"To be the preferred provider for emergency communications to New Zealand emergency services."

AREC objectives include:

- Maintain a close liaison with the NZ Police and LandSAR for Search and Rescue.
- Maintain a close liaison with Civil Defence in New Zealand.
- Maintain liaison with other community organisations.
- Provide and maintain suitable equipment appropriate to the emergency situation.

AREC is involved in providing communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation. Typically, they provide communications equipment and operators at the search headquarters, and providing support for the setting up
of equipment and training for the search teams who communicate back to the search headquarters.

AREC members are all volunteers. As with the general trend in many such organisations, AREC is subject to a declining membership as the age of its constituents increases.

Because AREC members are expert in radio communications they are contracted via a Service Level Agreement (SLA) administered by NZSAR to provide a range of services to the search and rescue organisations.

The AREC Emergency Funds Trust was established as a charitable entity in 2009 as a vehicle through which funding could be directed to support AREC’s role as the supplier of choice of radio communications services to support search and rescue operations. The Trust was de-registered in 2015 for not filing annual accounts over four consecutive years due to administrative oversight.

2.3 AREC Structure

AREC members from 80 Sections form a network of amateur radio operators throughout New Zealand who provide communication services to support SAR, Civil Defence and other emergency services response teams. AREC also provide radio services for local sporting and community events.

See Appendix One for an extract from the NZART Constitution establishing the AREC and its national Sections.

AREC is organised as a subset of the New Zealand Association of Radio Transmitters (NZART). Each of the 80 Sections is formed from a local NZART Branch which appoints an AREC Section Leader and Deputy.

2.4 AREC Governance and Management

The AREC National Director is appointed by the NZART National Committee on an annual basis. The National Director is responsible to the NZART Executive Council and is tasked with:

- The general conduct, organisation, and training of AREC on a national basis.
- Co-ordination of AREC with the Search and Rescue (SAR) Organisation.
- Liaison with the Director of Civil Defence.
- Obtaining approval from the Radio Spectrum Management Group within the Ministry for Business, Innovation and Employment (MBIE) for the use of additional frequencies and call signs when required for operational or practice purposes.
- The monitoring and clearance of AREC frequencies.
- The allocation of NZART equipment to AREC sections.
- The administration of the National AREC funds.

The National Director nominates four Area Managers (Northern, Central, Midland and Southern) for appointment by the NZART Council.

AREC sections are established from local NZART Branches with AREC membership contingent on being an NZART member. Each AREC section is led by a Section Leader, who reports to one
of the four Area Managers who are in turn appointed by and led by the AREC National Director.

Each Area Manager is responsible for:

- Liaison with the Search and Rescue Communications Co-Ordinator in the Search and Rescue Region corresponding to their Area.
- Represent the National Director AREC at Regional Search and Rescue meetings as requested by the Regional Search and Rescue committee.
- In class 3 searches under the control of the Regional Rescue Co-ordination Centre, the AREC Area Manager will act as a liaison between the Communications Co-ordinator and AREC Sections involved in the search to provide communications facilities as required.
- The Area Manager may assist Branches in their Civil Defence and Search and Rescue activities if requested by sections.
- The Area Manager is responsible to the National Director, and should report on meetings attended. Any matters to be raised at national level meetings should be brought to the attention of the National Director prior to such meetings.

It is noted that the above role description and other similar role descriptions contain misleading and out-of-date terms and designations. These should be updated and promulgated across the NZART and AREC membership.

2.5 NZART AREC Emergency Funds Trust Governance

A review of the current Trust governance arrangements indicates generally poor practice with regards to administration, and a limited understanding of the Trust’s objectives and Trustee’s responsibilities. Observations include:

- No regular Trust meetings, either face-to-face or via conference calls.
- Limited knowledge or understanding of the Trust deed.
- No training in running a Trust, although there is some experience as Trustees of other Trusts.
- While aware of reporting obligations, Trustees have assumed it was someone else’s responsibility.
- Notification about disbursement of Trust funds is generally limited to an email approving transfer of funds from one account to another – without explanation of the purpose.
- No apparent mechanism for transparent recording of Trust assets.

It is stressed that the above situation has developed over a period of time, and does not reflect on the current Trustees’ commitment or dedication to maintaining and delivering AREC’s contracted services.

2.6 AREC Legal Status

NZART is an Incorporated Society under the Incorporated Societies Act 1908. Its constitution allows the creation of AREC as a sub-group under NZART’s constitution, and subject to NZART’s rules and regulations.

In order to receive funding from NZSAR in return for providing search and rescue support services, the NZART AREC Emergency Funds Trust was created as a charitable entity in 2009, registration number CC40559. Trustees included representatives from NZART, AREC and an appointee from NZSAR.
The purpose of the Trust was to benefit the community by fostering the provision of radiocommunications for emergency purposes and provide powers to receive funds for the provision of radiocommunications in times of emergency.

The NZART AREC Emergency Funds Trust was de-registered by Charities Services in 2015 and removed from the Charities Register because it failed to file Annual Returns as required by section 32(1)(b) of the Charities Act, namely “a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment’. There is no suggestion of any other grounds for removal from the Charities Register.

Discussion with Charities Services confirm that the Trust may be re-registered on application and submission of annual returns for each year that the Trust was de-registered. This will require the consent and agreement of NZART and the three trustees – the current President of NZART (or nominee), AREC National Director (or nominee) and an NZSAR appointee.

It should be noted that the responsibility to maintain a Trust’s registered status rests with all trustees. The obligation to maintain and file accurate records of a Trust’s activities should be clearly explained and understood by all trustees.

There appears to be no apparent reason that the existing NZART AREC Emergency Funds Trust cannot be re-registered quickly. The NZART President has indicated that an application for re-registration has in fact been lodged, with the consent of the previous trustees and submission of annual returns for each year that the Trust was de-registered.

2.7 AREC Service Level Agreement

A joint Service Level Agreement (SLA) with the New Zealand Police, Maritime New Zealand and the Ministry of Transport acting through the New Zealand Search and Rescue Secretariat enables AREC to maintain and improve its position as the emergency communications provider of choice during SAR operations. SLA funding enables training and equipment purchases to provide or improve radio connectivity in areas where coverage is poor or non-existent. Funding may also be used to develop and implement new systems to support SAR team effectiveness and safety, and for administrative and governance functions.

The SLA is currently being updated to include reference to changed operating circumstances including adherence to the Health and Safety Act 2015.

The SLA is currently silent on the need to maintain and promulgate a register of equipment purchased using Crown funds and owned by the Trust, including its location and maintenance programme. This information should be made available at least annually to the NZSAR Secretariat, or on demand.

2.8 AREC Equipment and Frequency Registers

A considerable amount of equipment has been purchased, installed and maintained by AREC using grant funding provided by the NZSAR Council. Although there has been confirmation that equipment and frequency registers have been established and are being maintained, copies of the registers are awaited for inclusion in this report.

The work required to maintain records of maintenance and upkeep of equipment and frequency registers appears to be carried out on an informal basis. A more transparent system of maintaining equipment and frequency registers should be implemented that
captures core information including the date and cost of acquisition; location; maintenance place and expected life before replacement or renewal.

2.9 AREC – NZART Relationship

Discussion with key stakeholders indicates a level of distrust between elements of both organisations. This appears to be driven by concerns that overall NZART membership is declining, with a corresponding decline in revenue and influence. Meanwhile, AREC is receiving funding from NZSAR in accordance with the Service Level Agreement. AREC is also receiving funds supporting other outdoor events such as mountain running using equipment that is viewed by some in NZART as being “theirs”, without any recompense.

Misunderstanding about the specific details of how any Crown monies are to be spent may be a root cause of any move by NZART to insert itself directly into the relationship with NZSAR, or any desire for AREC to break away and form a separate entity.

A survey of AREC Section Leaders indicates strong opposition to any move by AREC to form itself into a separate entity – reinforced by the fact that AREC members are also NZART members. Any approach to disrupt the current arrangement can only drive a wedge between the two groups, and ultimately speed the decline of both.

Discussion with local groups also indicates a desire that differences at the national level between the two organisations be resolved without descending into a ‘them and us’ situation that may eventually force members to take sides.

A side issue arising from this review concerns insurance coverage for AREC members involved in SAROP exercises and operations. NZART members are covered by professional liability insurance that is paid from their subscriptions. This includes cover for example, damage to property while accessing an NZART repeater on private land, or from a fire inadvertently started while servicing equipment.

There are conflicting views regarding coverage for such incidents while engaged on a SAROP exercise or operation. One view holds that SAROP activities are covered by New Zealand Police; another that the NZART insurance provides coverage. This needs to be clarified and resolved for the benefit of both AREC and NZART.

From the NZSAR Council’s perspective, a splintered radio communications capability would be the worst possible outcome. It would significantly increase the administrative burden required to consistently deliver reliable emergency radio communications nationally; the possibility exists that two separate emergency radio networks could evolve with each organisation competing to support SAR operations at a district and local level; and the current level of national coverage could be reduced to a patchwork of local groups vying with each other to attract and retain members.

2.10 AREC Administration

A lack of administrative oversight and action by AREC has resulted in its failure to lodge annual records and consequent de-registration by Charities Services. The capability to ensure basic administrative functions are carried out should be embedded in ARECs future operating model and as a prerequisite for future funding allocation.
It is recognised that most AREC members are action rather than administration-oriented. This requires that an alternative means of providing administrative services be considered.

One suggestion is that the current NZART Administration Officer be paid to provide the necessary administrative functions required by AREC. The scope of activities could include:

- Prepare and submit annual records to Charities Services to retain NZART AREC Emergency Funds Trust’s status as a charitable entity.
- Issue and manage AREC member identification cards.
- Ensure that AREC Health and Safety policies are written and maintained and distributed to all AREC Sections.
- Maintain AREC Section Leader /Deputy Leader and local team member records.
- Provide and maintain current details of the AREC organisation including contact lists, available equipment and call out procedures to SAR Coordinating Authorities through agreed channels including the NZSAR Online Resources Database.
- Register expenditure of annual NZSAR grant funding against agreed funding programmes.
- Maintain an AREC equipment register with details of location, frequency allocation and maintenance schedule.
- Maintain a register of frequencies assigned to AREC for emergency communications.
- Respond to NZSAR Service Level Agreement reporting requirements.
- Prepare and maintain a manual that identifies the processes and outcomes of each of the above tasks to enable future continuity of the role.

The current NZART Administration Officer has indicated her willingness to undertake the role of AREC Administrator subject to an employment agreement that specifies recompense and expected hours devoted to AREC administrative activities. A negotiated sum should also be paid to the NZART to cover a portion of the common costs associated with the administrator’s activities, such as power, printing, communications and premises.
3 Recommendations

Recommendations regarding the future governance and structure of AREC and its relationships with NZART and NZSAR are made with the interests of NZSAR in mind:

1. That the existing structure and relationships between NZART, AREC and NZSAR are maintained.
   
   **Rationale**
   
   There is general agreement that current arrangements are appropriate and functional for a system that is reliant on volunteer participating at the local level. The current system encourages collaboration and fosters community engagement – AREC members in practice do not distinguish themselves from being NZART members, and generally utilise the same premises and equipment to carry out their roles. The current system that enables this process to function efficiently and effectively is regarded as simple and transparent, and fit for purpose.

2. That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.
   
   **Rationale**
   
   The existing arrangement is generally viewed as being successful and sustainable, subject to restoration of AREC’s charitable entity status.

   NZART’s decision to also form itself into a charitable entity should not be construed as an attempt to usurp the NZART AREC Emergency Funds Trust as the vehicle for funding from the NZSAR Council.

3. That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.
   
   **Rationale**
   
   Any attempt to fracture the current NZART – AREC relationship by forming AREC into a new entity should be resisted by all parties. Otherwise the decline in NZART member numbers will be exacerbated, and NZSAR will be faced with an unworkable situation when deploying emergency radio teams on SAR operations.

4. That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.
   
   **Rationale**
   
   There is general agreement that AREC does not have the capacity or inclination to provide adequate administrative functions to support its reporting and oversight obligations. The NZART’s National Administrator has access to the NZART member database and is knowledgeable in dealing with both NZART and AREC Council members and AREC National and Regional Managers.

   An agreement should be negotiated between AREC and NZART regarding the allocation of funds received by AREC towards payment for hours worked by the NZART National Administrator on AREC administration, and a portion of NZART HQ office overheads.
5. **That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.**

   **Rationale**
   The Service Level Agreement between NZSAR and AREC contains a provision to apply payments towards the governance and management of AREC (Section 12: Application of Payments). In light of the de-registration of its charitable entity and subsequent disruption to the relationship between NZSAR and AREC, it is appropriate to allocate funds toward ensuring a professional, structured approach to providing administration services.

   Funding of AREC’s administrative requirements enables specific activities to be itemised and delivered while also ensuring that adequate steps are taken to document and maintain administrative processes to ensure service continuity and quality.

   A fixed sum payment by AREC to NZART is recommended, for a number of hours of AREC administration per week. The hourly rate should be the same as the current NZART rate, and be adjusted to align with any change to the NZART rate in the future.

   It may be expected that the number of hours per week during the first six months would peak at 10 and reduce back to six or seven once all information has been collected and systems established.

6. **A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.**

   **Rationale**
   One source of friction between NZART and AREC is the view that AREC is getting a “free ride” at NZART’s expense. Sharing some of the costs associated with running NZART should alleviate this source of antagonism.

   Up to 20% of NZART HQ’s annual operating costs once salaries are deducted is recommended as an annual payment. Based on available information, this equates to a $4,000 per annum contribution towards NZART HQ’s fixed costs.

7. **Review AREC roles, titles and functions to ensure consistency and clarity.**

   **Rationale**
   Descriptions and titles of key stakeholders, including the AREC National Director are outdated and do not reflect their current roles. This may result in confusion about roles and responsibilities for AREC office holders, particularly at the local level. Revised titles and roles should also be reflected in the Service Level Agreement and Trust Deed documents.

   The case for a non-transmitting NZART membership category that would enable such members to participate as part of an AREC team supporting a SAROP incident was not unanimously supported, as this would require an amendment to NZART’s constitution. As part of AREC’s review of roles, titles and functions however, consideration could be given to providing non-NZART members working with AREC as part of a SAROP Management
Support Unit (MSU) with identification and insignia to formalise and acknowledge their official role and presence.

The issue of insurance identified in Section 2.9 should also be addressed as part of this recommendation.

8. That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.
   **Rationale**
   Equipment already purchased by the Trust has been entered into a register, however this needs to be regularly updated and circulated to key stakeholders including the SAR Secretariat.

   The AREC Service Level Agreement (SLA) should also be amended to include a requirement that a current copy of the equipment register be provided at least annually, or on demand.

9. That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.
   **Rationale**
   The current Trust deed is silent on a number of important aspects of its administration and function. The following list indicates some immediate areas where the deed should be amended:
   ▪ The Trust deed should be jointly reviewed by each Trustee of behalf of their organisation to ensure that the Trust’s Objectives and Powers remain fit for purpose in delivering the capability to provide emergency radio services.
   ▪ The Trust deed should be updated to include a description of the training and experience of each Trustee expected on assuming the Trustee role.
   ▪ The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. The Trust deed should be amended to mandate a minimum number of meetings per annum, including at least one meeting held in person.
   ▪ The Trust deed should stipulate that minutes from each Trust meeting are made available to each of the Trustee’s parent organisations and funding agencies.
   ▪ The Trust deed should be updated to reflect how funds are received and banked, how they are expended via cheque or electronic funds transfer
   ▪ The Trust deed should define how assets purchased by the Trust are registered and maintained, and this information is presented, for example in response to a requirement in a Service Level Agreement.
   ▪ The Trust deed should clearly state that the Trust maintains control and ownership of assets that it has purchased, and should contain a clause stipulating how these assets are to be disposed or re-allocated, if in the future the Trust is dissolved.

   Any review of the Trust deed should be carried out in consultation with Charities Services to ensure that the Trust’s charitable objectives are maintained to their satisfaction.
10. **Trustees should be knowledgeable and conversant with their responsibilities and obligations.**

**Rationale**

Trustees need to understand their responsibilities and obligations as custodians of the NZART AREC Emergency Funds Trust. There is evidence that this is not the case.

Recommendations for immediate improvements to Trust governance include:

- Assurance that each Trustee is aware of their role and responsibilities associated with an appointment as Trustee.
- Provide funding to train and maintain each Trustee’s knowledge and expertise in their roles
- The current Trust deed does not stipulate the frequency of Trust meetings and how such meetings should be conducted, i.e. remotely or in person. Rewrite the Trust deed to mandate a minimum number of meetings per annum, including at least one in person.
- Minutes from each Trust meeting should be available to each of the Trustees and other stakeholders as detailed in the Service Level Agreement.
- The process whereby funds are received and banked, and how they are expended should also be examined and any recommendations to improve transparency and probity should be implemented.
APPENDIX ONE – Extract from NZART constitution

Part 9 – Amateur Radio Emergency Communications

9.1 Amateur Radio Emergency Communications

a. The Executive Council may establish by regulation a sub-group to be known as the "Amateur Radio Emergency Communications" group which, under the direction of the Executive Council, is entrusted with achieving paragraph 1.2 i. of the objects of the Association.

b. Any group so established must be divided into sections under the control of a national director to be appointed by the Executive Council.

c. Each section must be attached to a Branch and the regulations are to provide generally for the mode of attachment.

d. The regulations may also provide for matters which are to be left to the constitution of an individual Branch, provided that nothing is to be included in the regulations or any Branch constitution which would impair the operational efficiency of the group.
## New Zealand Search and Rescue Secretariat

### AREC Governance Review – Recommendations

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
<th>Proposed Actions</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>That the existing structure and relationships between NZART, AREC and NZSAR are maintained.</td>
<td>This is the key finding of the report, as it relates to the continuation of NZSAR Council SLA funding. Update the SLA to ensure there is clarity about this relationship in the SLA, and to include both the NZART and AREC Trustees of the ‘NZART AREC Emergency Funds Trust’ as co-signatories for the Trust.</td>
<td>Nil action</td>
</tr>
<tr>
<td>2</td>
<td>That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services.</td>
<td>This action is currently underway Evidence of re-registration to be provided to the NZSAR Secretariat</td>
<td>NZART Trustee</td>
</tr>
<tr>
<td>3</td>
<td>That AREC continues to function as a subsection of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities.</td>
<td>This is the key finding of the report, as it relates to the operational arrangements between NZART and AREC. Ensure there is clarity about the operational relationship in the SLA</td>
<td>Nil action</td>
</tr>
<tr>
<td>4</td>
<td>That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity.</td>
<td>AREC to enter an arrangement with NZART for the national administrator to provide the administrative functions as outlined in this recommendation</td>
<td>AREC / NZART</td>
</tr>
<tr>
<td>5</td>
<td>That the Administrator is recompensed from the grant funding provided by NZSAR to AREC.</td>
<td>AREC to recompense the NZART National Administrator for the provision of administrative support to the Trust This has been added to the letter of intent</td>
<td>AREC / NZART</td>
</tr>
</tbody>
</table>

26 October 2017
<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
<th>Proposed Actions</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads.</td>
<td>AREC to allocate a portion of SLA funding as a contribution towards NZART’s fixed costs and overheads. This has been added to the letter of intent.</td>
<td>AREC / NZART</td>
</tr>
<tr>
<td>7</td>
<td>Review AREC roles, titles and functions to ensure consistency and clarity.</td>
<td>AREC to review their roles, titles, and functions as outlined in this recommendation. This has been added to the letter of intent.</td>
<td>AREC</td>
</tr>
<tr>
<td>8</td>
<td>That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders.</td>
<td>AREC to provide a register of equipment purchased using Crown funding on an annual basis. This will be included as a requirement in the SLA.</td>
<td>AREC</td>
</tr>
<tr>
<td>9</td>
<td>That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust.</td>
<td>NZART – AREC Emergency Fund Trustees to complete this action point. This has been added to the letter of intent.</td>
<td>Trustees</td>
</tr>
<tr>
<td>10</td>
<td>Trustees should be knowledgeable and conversant with their responsibilities and obligations.</td>
<td>Trustees will be expected to complete relevant training provided by the Institute of Directors. This will be included as a requirement in the SLA.</td>
<td>Trustees</td>
</tr>
</tbody>
</table>
Good afternoon Jeff,

Caravel Group have delivered their final report on the AREC Governance & Structural Review, and this has been accepted by the NZSAR Council. The NZSAR Council also approved the proposed actions to address the 10 recommendations contained in the report. A copy of the final report, and the table of recommendations & actions is attached.

We would like to resume our SLA payments to AREC as soon as possible, however this will be dependent on addressing some of the recommendations immediately, and having agreement on addressing the other recommendations.

The most immediate actions are the re-registration of the AREC Emergency Funds Trust (which is underway), and the completion of the SLA with AREC (which is my responsibility).

Can you please review the proposed actions, and the draft copy of the letter of intent (attached)? (The final letter of intent will be sent once we get the SLA signed.)

We will then collectively (AREC/NZART/NZSAR) need to agree on how we will achieve the recommendations, and also by when.

If it helps, we (NZSAR) can host a meeting for all of us to get agreement on the recommendations.

Regards

Carl van der Meulen

Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermelen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz
Good afternoon Stuart,

Caravel Group have delivered their final report on the AREC Governance & Structural Review, and this has been accepted by the NZSAR Council. The NZSAR Council also approved the proposed actions to address the 10 recommendations contained in the report. A copy of the final report, and the table of recommendations & actions is attached.

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The most immediate actions are the re-registration of the AREC Emergency Funds Trust (which is underway), and the completion of the SLA with AREC (which is my responsibility).

Can you please review the proposed actions?

We will then collectively (AREC/NZART/NZSAR) need to agree on how we will achieve the recommendations, and also by when.

If it helps, we (NZSAR) can host a meeting for all of us to get agreement on the recommendations.

Regards

Carl van der Meulen
Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermelen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz
Good afternoon Pat & Pete,

(Pat – as Duncan briefed you on yesterday)

Caravel Group have delivered their final report on the AREC Governance & Structural Review, and this has been accepted by the NZSAR Council. The NZSAR Council also approved the proposed actions to address the 10 recommendations contained in the report. A copy of the final report, and the table of recommendations & actions is attached.

We would like to resume our SLA payments to AREC as soon as possible, however this will be dependent on addressing some of the recommendations immediately, and having agreement on addressing the other recommendations.

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Can you please review the proposed actions?

We will then collectively (AREC/NZART/NZSAR) need to agree on how we will achieve the recommendations, and also by when.

If it helps, we (NZSAR) can host a meeting for all of us to get agreement on the recommendations.

Regards

Carl van der Meulen

Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermeulen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz

NZSAR New Zealand Search and Rescue
Good afternoon all,

We (the NZSAR Secretariat) would like to meet with the Trustees of the NZART AREC Emergency Funds Trust. The purpose of the meeting will be to progress the recommendations contained in the AREC Governance and Structural Review report provided by Caravel Group (copy of the review and recommendations is attached).

The Trust Deed says the Trustees should be the President of NZART, National Director of AREC, and a representative from NZSAR. According to the Charities Service online register, the listed Trustees are: Jeff Sayer, Vaughan Henderson, and Pete Corbett (this was last updated in February 2012 and will need to be updated as part of the re-registration process).

Are you able to meet with us in Wellington on the afternoon of Tuesday 5 or Thursday 7 December? We can assist with travel arrangements if necessary.

Regards

Carl van der Meulen

Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermeulen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz
Hi All,

Thanks for your time this morning – attached are the notes from the meeting. Please let me know if any changes are required.

The main action point from the meeting is:

**ACTION:** AREC to write to NZSAR requesting financial support for progressing the action items for recommendations 2, 7, and 9. This letter needs to provide clarity about what work is being purchased, how much it will cost, and when it will be delivered by.

We look forward to being able to recommence SLA payments to AREC.

Have a good Christmas and New Year’s holiday season.

Regards

*Carl van der Meulen*

Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermeulen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz
Meeting to progress recommendations from the AREC Governance Review

20 December 2017 11.00am-12.30pm

NZSAR, Westpac House, Wellington

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**New Zealand Search and Rescue**

**Meeting to progress recommendations from the AREC Governance Review**

**20 December 2017  11.00am-12.30pm**

**NZSAR, Westpac House, Wellington**

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**Agenda**

1. **Welcome & introductions**
   
   Attendees: Pat Waite (CE LandSAR), Don Robertson (AREC), Geoff Chapman (AREC), John Yaldwyn (AREC), Stuart Watchman (NZART), Duncan Ferner (NZSAR), Carl van der Meulen (NZSAR)
   
   Apologies: Jeff Sayer (AREC)

2. **Update on re-registration of the AREC Emergency Funds Trust**
   
   The application for re-registration is with the Charities Commission, but is delayed pending further information to be supplied about the purposes, membership etc of AREC (as part of the new Charities Commission reporting requirements).
   
   NZSAR offered to support the process if requested in writing.

3. **AREC National Director going forward ( & NZSAR Consultative Committee)**
   
   Geoff Chapman is the Acting National Director for AREC until further notice.
   
   NZSAR Consultative Committee – include Geoff Chapman, Don Robertson, and John Yaldwyn for meeting invites/papers etc.

4. **Trustees going forward**
   
   The NZSAR appointed Trustee going forward will be the Chief Executive of LandSAR.
   
   NZSAR also has a preference that the AREC Trustee would be the AREC National Director.

5. **Recommendations from the AREC Governance Review:**
   
   1) That the existing structure and relationships between NZART, AREC and NZSAR are maintained
      
      Nil action required, as this is a key finding from the report.
      
      NZSAR clarified that the main purpose of the SLA funding is to ensure AREC exists as a strong well-governed organisation that is able to provide SAR services to the Coordinating Authorities on request.
      
      2) That immediate steps are taken to re-register the NZART AREC Emergency Funds Trust as a charitable trust with Charities Services
      
      Underway as discussed under agenda item 2.

   **ACTION:** AREC will write a letter to NZSAR requesting financial support to assist with the re-registration process.
3) That AREC continues to function as a sub-section of NZART to preserve unity and purpose, and maintain national capability to consistently support search and rescue activities

**ACTION:** NZSAR to update introduction section of the SLA to reflect the arrangement between NZART and AREC.

4) That AREC uses NZART’s National Administrator to provide administration functions to maintain AREC’s registration as a Charitable entity

Agreed.

5) That the Administrator is recompensed from the grant funding provided by NZSAR to AREC

Agreed – AREC & NZART need to understand what the workload may be and ensure the recompense is appropriate

6) A portion of grant funding is allocated to cover AREC’s contribution towards NZART’s fixed costs and overheads

Agreed as per the recommendation ($4,000) and is listed in the NZSAR Council’s letter of intent

7) Review AREC roles, titles and functions to ensure consistency and clarity

Agreed that this should be carried out, and should include job description for Trustees, and the role of the National Administrator in supporting SLA reporting requirements.

**ACTION:** AREC will write a letter to NZSAR requesting financial support to assist with the review of AREC roles, titles, and functions.

8) That a register of all equipment purchased using Crown funding continues to be maintained and made available on an annual basis or on request to key stakeholders

Is currently in place, but will be added as a reporting requirement for the SLA

9) That the NZART – AREC Trust deed be updated to provide guidance and direction in the operation of the Trust; improve transparency in the management and disbursement of funds; and reflect any changes in the purpose and objectives of the Trust

Agreement that improvements can be made to written roles/job descriptions, processes etc.
These may not need to be written as changes to the Trust Deed.

This work will be carried out alongside the work under recommendation 7.

**ACTION:** AREC will write a letter to NZSAR requesting financial support to assist with a review of the Trust Deed as part of the review of AREC roles, titles, and functions.

10) Trustees should be knowledgeable and conversant with their responsibilities and obligations

Agreed – but noted that some Trustees may already have the required knowledge and skills

**ACTION:** AREC to write to NZSAR requesting financial support for progressing the action items for recommendations 2, 7, and 9. This letter needs to provide clarity about what work is being purchased, how much it will cost, and when it will be delivered by.
Hi Stuart,

We have received your request for support to re-register the NZART AREC Emergency Funds Trust and to review AREC’s roles, titles, and functions, as proposed by Caravel Group.

We are happy to support this work, and in the interest of expediency and simplicity, we believe the best option is for us (NZSAR) to directly contract Caravel Group to conduct the work as outlined in their letter to you on 22 January 2018.

Regards

Carl van der Meulen
Senior Advisor
New Zealand Search and Rescue Secretariat
c.vandermeulen@nzsar.govt.nz
www.nzsar.govt.nz
www.adventuresmart.org.nz

From: Stuart Watchman  
Sent: Monday, 29 January 2018 12:21 PM  
To: Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz>  
Subject: RE: NZART Proposal - Stuart Watchman

Thanks Carl,
Sent a letter in on Friday,
regards
Stuart

On 25 January 2018 at 15:02 Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz> wrote:

Hi Stuart,

Yes. If you could prepare a letter to Duncan as the Secretariat Manager requesting support for NZART/AREC to get the work done as outlined in the attached letter etc etc... to be completed by...

Can you address your letter to:
Hi Carl,

received this from Jim yesterday.

Approaching informally first, are you happy with this for me to proceed with a formal application for NZ SAR assistance with this?

regards

Stuart

-------- Original Message --------
From: Jim McMahon <jim.mcmahon@caravel.co.nz>
To: Stuart Watchman
Date: 23 January 2018 at 10:18
Subject: NZART Proposal - Stuart Watchman

Hello Stuart

I’ve put together a brief proposal over the long weekend that provides sufficient flexibility to deliver the desired outcome for all parties.

I’ve suggested a time-based rather than fixed price approach to our charges, with an overall cap – this should be OK from Duncan’s perspective.

Of the two, the second component is likely to be more involved with discussions with a number of parties – I haven’t factored in any travel
expenses in the expectation that these can be conducted via phone or Skype.

Otherwise, over to you for your feedback and/or forwarding to Duncan.

Regards

Jim

Stuart Watchman

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Please consider the environment before printing this e-mail
26 January 2018

Duncan Ferner
Secretariat Manager
NZSAR
PO Box 3175
WELLINGTON 6140

Dear Duncan

You will recall the meeting in December where we discussed the Caravel report on the AREC-NZART Emergency Funds Trust and some wider AREC issues.

One outcome of the meeting was to look into having Caravel carry out the work required to re-establish the charitable status of the trust, and investigate the AREC's organisational structure and functional role descriptions to reflect changing emergency communications requirements and stakeholder relationships.

Jim McMahon of Caravel is able to carry out this work, the first task (charitable re-establishment) for a maximum fee of $[redacted] and the AREC structure etc for a maximum fee of $[redacted]

I have indicated to Jim that if he were to perform this work the charitable task must take priority.

If this is acceptable to NZSAR I will give Caravel the go ahead,

On behalf of NZART and AREC I would like to thank you for your help,

Regards,
Stuart Watchman
President
NZART

PP:  
Debby Morgan
NZART Business Manager

President
Stuart Watchman ZL2TW
Councill: Howard Buxton ZL1BXA, Neill Ellis ZL1TAJ, Peter Mulhare ZL2IK, Phill Dodds ZL4XYZ, Scott Jackson ZL2YS, Don MacDonald ZL3DMC, Ann Fraser ZL3TNT, Dave Allen ZL4LDY.
22 January 2018

Mr Stuart Watchman  
President  
New Zealand Association of Radio Transmitters  
New Zealand

Dear Stuart

Proposal for consultancy work with NZART

Thanks for the opportunity to work with you and your colleagues, to re-establish the charitable status of the AREC-NZART Emergency Funds Trust, and undertake a review of the AREC organisational roles, titles and functions.

AREC-NZART Emergency Funds Trust

The Trust was deregistered in 2015 due to failure to file annual returns. I will work with all parties and organisations to assemble the information required by Charities Services to re-establish the Trust’s charitable status. This will require information about the Trust’s objectives, organisation and financial history. Updated information about the Trust’s officers and contact details will also be required.

Reregistration will be the priority of the consultancy and is estimated to require up to 25 hours work at $100 per hour (excluding GST). I propose a time-based approach on a per hour basis, with the total amount capped at $2,500.

AREC Roles, Titles and Functions

AREC’s organisational structure and functional role descriptions have not been updated to reflect changing emergency communications requirements and stakeholder relationships. A review of these matters will provide a rationale for recommended changes to improve AREC’s capabilities and future sustainability.

Based on our previous work, I estimate a maximum of 40 hours work to complete the review. Again, I suggest a time-based approach capped at $4,000.

I have some capacity to commence the work immediately for completion by the end of February.

Regards

Jim McMahon  
Director  
Caravel Group (NZ) Ltd
Hi Carl,

We greatly appreciate NZSARs assistance,

regards

Stuart

On 07 February 2018 at 10:21 Carl Van Der Meulen <c.vandermeulen@nzsar.govt.nz> wrote:

Hi Stuart & Geoff,

A quick email to advise you that we (NZSAR) have signed a contract with Caravel Group (Jim McMahon) as requested in your letter to us on 26 January 2018.

The contract covers the re-registration of the NZART AREC Emergency Funds Trust, and a review of AREC’s roles, titles, and functions.

Jim will be in touch with all of us as needed.

Hopefully we will soon be in a position to complete the SLA with AREC again.

Regards

Carl van der Meulen

Senior Advisor
New Zealand Search and Rescue Secretariat

c.vandermeulen@nzsar.govt.nz

www.nzsar.govt.nz
www.adventuresmart.org.nz
Hi Jim,

Thank you for all the work.

I have a contact person within charities from my earlier attempts to re-register and will email them now to get a new password etc. It has possibly expired and will get back to you asap,

regards

Stuart

On 05 March 2018 at 13:42 Jim McMahon <jim.mcmahon@caravel.co.nz> wrote:

Hello Stuart

I’ve completed the 2016 and 2017 Performance Reporting templates for the NZART AREC Emergency Funds Trust as per the attached. I got a copy of the AREC equipment purchase schedule for 2015/16 and 2016/17 FYs and used this to build an asset register for depreciation purposes – I’ve treated the radio equipment as computers and depreciated at 40% per annum. I also enclose the auditor’s reports for each of these years (these included the name of an unrelated trust which was corrected with the Auditor).

Note that the balance date for the Trust is shown as 31 March on the Charities Services Application Record – this should be amended to June 30.

I haven’t updated the Trustee details to support the reregistration process as for some reason I can’t log into the Charities Services website using the user name and password you provided. You may need to reset these details as I’ve exceeded the three strikes allowable.

Subject to the balance date and Trustee details being updated, I think we are set to reapply for charities status… do you want to submit and let me know the feedback for Charities Services.
Regards

Jim McMahon  
Director  
Caravel Group (NZ) Ltd  
Level 5 / 166 Featherston Street  
Wellington  
Phone: [redacted]  
Mobile: [redacted]  
Email: jim.mcmahon@caravel.co.nz  
URL: www.caravel.co.nz

From: Stuart Watchman  
Sent: Friday, 22 December 2017 7:45 PM  
To: Jim McMahon <jim.mcmahon@caravel.co.nz>  
Subject: Re: NZART treasurer information sought

Thanks Jim,  
have a good Christmas,  
regards  
Stuart

On 22 December 2017 at 19:08 Jim McMahon <jim.mcmahon@caravel.co.nz> wrote:

Thanks Stuart... I’ll get my head around all this over the next week.

Jim

Sent from my iPhone

On 22/12/2017 at 6:21 PM Stuart Watchman wrote:
Hi Jim,

this was the information that our treasurer requested, and I passed on to the AREC team, however this stalled.

Note the change of AREC national director....

regards

Stuart

---------- Original Message ----------
From: Evan Sayer
To: 'Stuart Watchman'
'Gareth Bradshaw'
Date: 11 September 2017 at 21:32
Subject: RE: Re: NZART AREC Emergency Funds Trust CRM:02791204

Hi Gareth & Stuart,

To get this started can someone please provide me with:

1. Strategic Plan
2. Mission Statement
3. Trust Deed
4. What resources are used to regularly communicate with the members
5. How many AREC sections are there throughout NZ
6. How many members are there of AREC
7. During the Year Ended 30 June 2016 how many ‘operations’ were attended – how many people were involved – how many hours were involved
8. How much training was undertaken – how many hours
The course I attended stressed that the annual report is the opportunity for your organisation to tell its story. My experience having worked on the Brass Band return was that it does take a fair bit of work compiling the information and it’s not necessarily by the Charities on its first presentation.

Cheers

Evan

From: Stuart Watchman
Sent: 08 September 2017 07:39
To: Evan Sayer; Gareth Bradshaw
Subject: Fwd: Re: NZART AREC Emergency Funds Trust CRM:02791204

Hi Evan,

Last correspondence from charities

Stuart

----- Original Message ----- 
From: Charities Services Info <CharitiesService-Info@dia.govt.nz>
To: NZART AREC
Emergency Funds Trust

Date: 07 August 2017 at 10:54
Subject: Re: NZART AREC Emergency Funds Trust CRM:02791204

RE: NZART AREC Emergency Funds Trust -

Username: [redacted]
Dear Stuart,

Thank you for applying for registration with Charities Services.

We are unable to progress your application because the financial statements for the financial year ended 30 June 2016 do not meet new reporting standards.

Registered charities reporting for financial years ending on or after 31 March 2016 are now required to submit a performance report that complies with new reporting standards written by the External Reporting Board. This is a legal requirement. The performance report collects both financial and non-financial information, and is the new way of doing the financial statements. Please take a look at the example and blank performance report template attached, so you can see what it should look like/the kind of information it should contain. Although using the template is optional, we do encourage all charities to use it. If a charity fills out the template correctly, and includes all the mandatory fields, then the charity will have met all the requirements of the new standards.

Furthermore, you have indicated that the balance date should be 31 March, however the financials you have provided are for 30 June. Please confirm the correct balance date.
Please log into your online account to upload the performance report for YE 31 March 2016, then click ‘submit’ to re-submit the new information. Alternatively, please forward your performance report to either info@charities.govt.nz, or post to -

Charities Services
PO Box 30-112
Lower Hutt 5040

We will continue to process the application, once we receive this information. Thank you for your time and attention to this matter.

For further guidance or information, please visit www.charities.govt.nz or contact us on our free information line 0508 242 748 or email info@charities.govt.nz

Yours sincerely,

Customer Support Team
Charities Services | Department of Internal Affairs | Te Tari Taiwhenua

This email was sent to

Stuart Watchman

Stuart Watchman
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STEP ONE - BASIC INFORMATION

Please complete the following information for your entity, this will then flow into the Performance Report.

Full name of organisation: NZART AREC EMERGENCY FUNDS TRUST

For the year ended: 30 June 2016

This workbook contains a number of formulae and other features designed to make its completion as easy as possible. To avoid inadvertent overwriting of this functionality, the workbooks have been password protected. The password is noted below, so that entities that wish to modify the workbook can do so. However, it is recommended that extreme care be taken if any modification is undertaken.

PASSWORD: xrb (Note password is case-sensitive)
NZART AREC EMERGENCY FUNDS TRUST

Performance Report
For the year ended
30 June 2016

Contents

Non-Financial Information:

Entity Information 2
Statement of Service Performance 4

Financial Information:

Statement of Financial Performance 5
Statement of Financial Position 6
Statement of Cash Flows 7
Statement of Accounting Policies 8
Notes to the Performance Report 9

[If the entity has an Independent Auditors Report or Independent Review Report - add this to your contents and attach to the Performance Report]
NZART AREC EMERGENCY FUNDS TRUST

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
30 June 2016

<table>
<thead>
<tr>
<th>Legal Name of Entity:*</th>
<th>NZART AREC EMERGENCY FUNDS TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Name of Entity (if any):</td>
<td></td>
</tr>
<tr>
<td>Type of Entity and Legal Basis (if any):*</td>
<td>Charitable Trust - Deregistered 27/1/2015</td>
</tr>
<tr>
<td>Registration Number:</td>
<td>Previously CC 40559</td>
</tr>
</tbody>
</table>

Entity’s Purpose or Mission: *
To foster the provision of radio communications for emergency purposes, including radio communications for Search and Rescue operations. To receive funds and distribute to effect the above.

Entity Structure: *
Amateur Radio Emergency Communications (AREC) is a subgroup of the New Zealand Amateur Radio Transmitters (NZART), an Incorporated Society with the objective to promote amateur radio in New Zealand. NZART also has an objective to provide emergency and other communications services for authorities as required, including the New Zealand Search and Rescue Council (NZSAR) and other entities requiring radio communications for emergency purposes in New Zealand.
AREC operates under the direction of a National Director who is appointed by and responsible to the Executive Council of NZART.
Three Trustees comprising the President - New Zealand Amateur Radio Transmitters (NZART - CC 54596); National Director - Amateur Radio Emergency Communications (AREC); Chief Executive Officer - NZ Search and Rescue (NZSAR). All decisions made by the Trustees must be unanimous.
NZART AREC EMERGENCY FUNDS TRUST

Entity Information

"Who are we?", "Why do we exist?"
For the year ended
30 June 2016

Main Sources of the Entity's Cash and Resources:

NZART AREC Emergency Funds Trust’s main source of funding is an annual grant from the Ministry of Transport.

Main Methods Used by the Entity to Raise Funds:

The Trust relies primarily on an annual grant from the Ministry of Transport for funding.

Entity's Reliance on Volunteers and Donated Goods or Services:

The Trust relies on volunteers who are New Zealand Amateur Radio Transmitter (NZART) members to provide communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation.
The Amateur Radio Emergency Communications (AREC) was formed after the 1932 Napier earthquake to train and provide skilled amateur radio operators to provide reliable communications services throughout New Zealand for any type of emergency. There are 80 AREC Sections throughout the country, each attached to a NZART Branch. All AREC members are unpaid volunteers.
Description of the Entity’s Outcomes:
The Trust provides resources for its members to support search and rescue operations throughout New Zealand. This is achieved by the provision of emergency radio communications by a network of AREC members who volunteer their time and expertise to support search and rescue teams that are convened and controlled by New Zealand Police coordinators. The AREC primary objective is to assist the timely rescue of anyone who has become lost, whether in New Zealand’s remote mountains, rural or metropolitan areas.

<table>
<thead>
<tr>
<th>Description and Quantification (to the extent practicable) of the Entity’s Outputs:</th>
<th>Actual*</th>
<th>Budget</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
<td></td>
</tr>
<tr>
<td>Number of Search and Rescue Operations (SAROPS) supported by AREC members throughout New Zealand.</td>
<td>40</td>
<td>65</td>
<td></td>
</tr>
</tbody>
</table>

Additional Output Measures:

Additional Information:
RELEASED UNDER THE
OFFICIAL INFORMATION ACT
<table>
<thead>
<tr>
<th>Note</th>
<th>Actual*</th>
<th>Budget</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations, fundraising and other similar revenue*</td>
<td>74,750</td>
<td>74,750</td>
<td>74,750</td>
</tr>
<tr>
<td>Fees, subscriptions and other revenue from members*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from providing goods or services*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends and other investment revenue*</td>
<td>598</td>
<td>899</td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>75,348</strong></td>
<td><strong>74,750</strong></td>
<td><strong>75,649</strong></td>
</tr>
</tbody>
</table>

| Expenses | | | |
| Expenses related to public fundraising* | - | - | - |
| Volunteer and employee related costs* | 12,253 | 14,038 | |
| Costs related to providing goods or services* | 105,478 | 63,641 | |
| Grants and donations made* | | | |
| Other expenses - Administration | 2,602 | 1,372 | |
| **Total Expenses** | **120,333** | **-** | **79,051** |

| Surplus/(Deficit) for the Year | **(44,985)** | **74,750** | **(3,402)** |
## NZART AREC EMERGENCY FUNDS TRUST

### Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
30 June 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual*</th>
<th>Budget</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
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</tbody>
</table>

### Assets

#### Current Assets

- Bank accounts and cash*  $80,705  $125,690
- Debtors and prepayments*  $450  $450
- Inventory*  $80,705  $125,690
- Other current assets  $450  $450
- **Total Current Assets**  $80,705  $125,690

#### Non-Current Assets

- Property, plant and equipment*  
- Investments*  
- Other non-current assets  
- **Total Non-Current Assets**  

#### Total Assets*

- **Total Current Assets**  $80,705  $125,690
- **Total Non-Current Assets**  
- **Total Assets**  $80,705  $125,690

### Liabilities

#### Current Liabilities

- Bank overdraft*  $450  $450
- Creditors and accrued expenses*  $450  $450
- Employee costs payable*  $450  $450
- Unused donations and grants with conditions*  
- Other current liabilities  
- **Total Current Liabilities**  $450  $450

#### Non-Current Liabilities

- Loans*  
- Other non-current liabilities  
- **Total Non-Current Liabilities**  

#### Total Liabilities*

- **Total Current Liabilities**  $450  $450
- **Total Non-Current Liabilities**  
- **Total Liabilities**  $450  $450

#### Total Assets less Total Liabilities (Net Assets)*

- **Total Assets**  $80,255  $125,240
- **Total Liabilities**  
- **Net Assets**  $80,255  $125,240

### Accumulated Funds

- Capital contributed by owners or members*  $10  $10
- Accumulated surpluses or (deficits)*  
- Reserves*  $80,245  $125,230
- **Total Accumulated Funds**  $80,255  $125,240
### NZART AREC EMERGENCY FUNDS TRUST
#### Statement of Cash Flows
"How the entity has received and used cash"
For the year ended
30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Actual*</th>
<th>Budget</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
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<td>$</td>
<td>$</td>
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</tr>
</tbody>
</table>

#### Cash Flows from Operating Activities*

**Cash was received from:**
- Donations, fundraising and other similar receipts*
  - This Year: 74,750
  - Last Year: 74,750
- Fees, subscriptions and other receipts from members*
- Receipts from providing goods or services*
- Interest, dividends and other investment receipts*
  - This Year: 538
  - Last Year: 899
- Net GST

**Cash was applied to:**
- Payments to suppliers and employees*
  - This Year: 120,333
  - Last Year: 79,051
- Donations or grants paid*

**Net Cash Flows from Operating Activities***
- This Year: (44,985)
- Last Year: (3,402)

#### Cash Flows from Investing and Financing Activities*

**Cash was received from:**
- Receipts from the sale of property, plant and equipment*
- Proceeds from loans borrowed from other parties*
- Capital contributed from owners or members*

**Cash was applied to:**
- Payments to acquire property, plant and equipment*
- Payments to purchase investments*
- Repayments of loans borrowed from other parties*
- Capital repaid to owners or members*

**Net Cash Flows from Investing and Financing Activities***
- This Year: -
- Last Year: -

**Net Increase / (Decrease) in Cash***
- This Year: (44,985)
- Last Year: (3,402)

**Opening Cash***
- This Year: 125,690
- Last Year: 129,092

**Closing Cash***
- This Year: 80,705
- Last Year: 125,690

**This is represented by:**
- Bank Accounts and Cash*
  - This Year: 80,705
  - Last Year: 125,690
NZART AREC EMERGENCY FUNDS TRUST
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
30 June 2016

Basis of Preparation
NZART AREC Emergency Funds Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than $2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)
NZART AREC Emergency Funds Trust is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Income Tax
NZART AREC Emergency Funds Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash
Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Statement of Financial Performance
NZART AREC Emergency Funds Trust is a not-for-profit non-trading organisation established to foster the provision of radio communications for Search and Rescue operations.

Differential Reporting
NZART AREC Emergency Funds Trust financial statements have been prepared in accordance with the framework for for Differential Reporting issued by the Institute of Chartered Accountants of New Zealand. All applicable exemptions are applied.

Changes in Accounting Policies
There have been no changes in accounting policies during the financial year (last year - nil)
## Note 1: Analysis of Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fundraising revenue</strong></td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td><strong>Donations and other similar revenue</strong></td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
<td><strong>Fees, subscriptions and other revenue from members</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue from providing goods or services</strong></td>
<td></td>
<td>74,750</td>
<td>56,063</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>74,750</td>
<td>56,063</td>
</tr>
<tr>
<td><strong>Interest, dividends and other investment revenue</strong></td>
<td></td>
<td>598</td>
<td>843</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>598</td>
<td>843</td>
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</table>
### Note 1 : Analysis of Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
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<tbody>
<tr>
<td>Other revenue</td>
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<td>Total</td>
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</table>
### Note 2: Analysis of Expenses

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses related to public fundraising</td>
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<td>Total</td>
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<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer and employee related costs</td>
<td></td>
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<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
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</thead>
<tbody>
<tr>
<td>Costs related to providing goods or services</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Direct costs relating to service delivery</td>
<td>117,731</td>
<td>77,679</td>
<td></td>
</tr>
<tr>
<td>Administration and overhead costs</td>
<td>2,602</td>
<td>1,372</td>
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<td></td>
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</tr>
<tr>
<td>Total</td>
<td>120,333</td>
<td>79,051</td>
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</table>

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and donations made</td>
<td></td>
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<td>Total</td>
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<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expenses</td>
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<tr>
<td>Total</td>
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</tr>
</tbody>
</table>
### Note 3: Analysis of Assets and Liabilities

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank accounts and cash</td>
<td>Trust Current Account</td>
<td>$62,860</td>
<td>$122,557</td>
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<tr>
<td></td>
<td>AREC Operations Account</td>
<td>$17,845</td>
<td>$3,133</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$80,705</td>
<td>$125,690</td>
</tr>
<tr>
<td>Debtor's and prepayments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Total</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
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<tr>
<td></td>
<td>Total</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Total</td>
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<td>-</td>
</tr>
</tbody>
</table>
### NZART AREC EMERGENCY FUNDS TRUST

#### Notes to the Performance Report

For the year ended 30 June 2016

#### Note 3: Analysis of Assets and Liabilities

<table>
<thead>
<tr>
<th>Liability Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors and accrued expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
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<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Employee costs payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unused donations and grants with conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
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<td></td>
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<tr>
<td>Other non-current liabilities</td>
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<td></td>
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<tr>
<td>Total</td>
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</tr>
</tbody>
</table>
### Note 4: Property, Plant and Equipment

#### This Year

<table>
<thead>
<tr>
<th>Asset Class*</th>
<th>Opening Carrying Amount*</th>
<th>Purchases</th>
<th>Sales/Disposals</th>
<th>Current Year Depreciation and Impairment*</th>
<th>Closing Carrying Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Motor Vehicles*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and fixtures*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computers (including software)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Machinery*</td>
<td>-</td>
<td>109,364</td>
<td>43,745</td>
<td>65,619</td>
<td>65,619</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>109,364</td>
<td>-</td>
<td>43,745</td>
<td>65,619</td>
</tr>
</tbody>
</table>

#### Last Year

<table>
<thead>
<tr>
<th>Asset Class*</th>
<th>Opening Carrying Amount*</th>
<th>Purchases</th>
<th>Sales/Disposals</th>
<th>Current Year Depreciation and Impairment*</th>
<th>Closing Carrying Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings*</td>
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</tr>
<tr>
<td>Motor Vehicles*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and fixtures*</td>
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<td>Office equipment*</td>
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<tr>
<td>Computers (including software)*</td>
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<tr>
<td>Machinery*</td>
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<td>Heritage assets</td>
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<tr>
<td><strong>Total</strong></td>
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</tbody>
</table>

#### Significant Donated Assets Recorded - Source and Date of Valuation*

<table>
<thead>
<tr>
<th><strong>Note 4 : Property, Plant and Equipment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Valuation</strong>*</td>
</tr>
<tr>
<td><strong>Source and Date of Valuation</strong>*</td>
</tr>
</tbody>
</table>

#### Significant Donated Assets - Not Recorded*
### Nzart Arec Emergency Funds Trust

#### Notes to the Performance Report

For the year ended 30 June 2016

### Note 5: Accumulated Funds

#### This Year

<table>
<thead>
<tr>
<th>Description*</th>
<th>Capital Contributed by Owners or Members*</th>
<th>Accumulated Surpluses or Deficits*</th>
<th>Reserves*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>10</td>
<td>-</td>
<td>125,230</td>
<td>125,240</td>
</tr>
<tr>
<td>Capital contributed by owners or members*</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Capital returned to owners or members*</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Surplus/(Deficit)*</td>
<td>-</td>
<td>(44,985)</td>
<td>(44,985)</td>
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<tr>
<td>Distributions paid to owners or members*</td>
<td>-</td>
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<tr>
<td>Transfer to Reserves*</td>
<td>-</td>
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<tr>
<td>Transfer from Reserves*</td>
<td>44,985</td>
<td>(44,985)</td>
<td>(44,985)</td>
<td>(44,985)</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>10</td>
<td>-</td>
<td>80,245</td>
<td>80,255</td>
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</table>

#### Last Year

<table>
<thead>
<tr>
<th>Description*</th>
<th>Capital Contributed by Owners or Members*</th>
<th>Accumulated Surpluses or Deficits*</th>
<th>Reserves*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>10</td>
<td>-</td>
<td>128,632</td>
<td>128,642</td>
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<tr>
<td>Capital contributed by owners or members*</td>
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<tr>
<td>Capital returned to owners or members*</td>
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<tr>
<td>Surplus/(Deficit)*</td>
<td>-</td>
<td>(3,402)</td>
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<tr>
<td>Distributions paid to owners or members*</td>
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<tr>
<td>Transfer to Reserves*</td>
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<tr>
<td>Transfer from Reserves*</td>
<td>3,402</td>
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<td>(3,402)</td>
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<td>Closing Balance</td>
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<td>125,230</td>
<td>125,240</td>
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</table>

#### Breakdown of Reserves

<table>
<thead>
<tr>
<th>Name*</th>
<th>Nature and Purpose*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustees Account</td>
<td>To receive grant funding and disburse expenses via the AREC Operations Account</td>
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<td></td>
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<td></td>
<td>$</td>
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<tr>
<td>Total</td>
<td>80,245</td>
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</tbody>
</table>

*Note: All figures are in New Zealand Dollars.*

**Disclaimer:**

This document is released under the Official Information Act.
**Note 6: Commitments and Contingencies**

<table>
<thead>
<tr>
<th><strong>Commitments</strong></th>
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<tbody>
<tr>
<td>There are no commitments as at balance date (Last Year - nil)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Contingent Liabilities and Guarantees</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>There are no contingent liabilities or guarantees as at balance date (Last Year - nil)</td>
</tr>
</tbody>
</table>
Note 7: Other

Related Party Disclosures:
There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 10: Events After the Balance Date

Events After the Balance Date:
There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year - Nil)
**Statement of Financial Performance**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Assets</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td>Fundraising revenue [Revenue1]</td>
<td>Bank accounts and cash [Asset1]</td>
</tr>
<tr>
<td>Entity may like to list fundraising campaign or type</td>
<td>Cheque account balance</td>
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<tr>
<td></td>
<td>Savings account balance</td>
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<td></td>
<td>Trust Current Account</td>
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<td></td>
<td>ARC Operations Account</td>
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<td></td>
<td>Debtors and prepayments [Asset2]</td>
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<tr>
<td></td>
<td>Accounts receivable</td>
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<td>Prepayments</td>
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<td>GST Receivable</td>
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<td>Other receivables</td>
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<td>Inventory [Asset3]</td>
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<td>Food or clothing held</td>
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<td>Shop Stock</td>
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<td>Other current assets [Asset4]</td>
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<td>Short term deposits</td>
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<td>Other</td>
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<td>Investments [Asset5]</td>
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<td>Stocks and shares</td>
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<td>Investment property</td>
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<td>Cash held in investment portfolio</td>
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<td>Other non-current assets [Asset6]</td>
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<td>Intangible assets</td>
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<tr>
<td>Revenue from providing goods or services [Revenue4]</td>
<td>Liabilities</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with central government</td>
<td>Creditors and accrued expenses [Liability1]</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with local government</td>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with non-governmental agencies</td>
<td>accrued expenses</td>
</tr>
<tr>
<td>Revenue from sales to the public</td>
<td>GST Payable</td>
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<tr>
<td>Revenue from commercial activities</td>
<td>Accounts Payable</td>
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<tr>
<td>Lease or rental revenue</td>
<td></td>
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<tr>
<td>Commission revenue</td>
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<tr>
<td><strong>Interest, dividends and other investment revenue [Revenue5]</strong></td>
<td><strong>Liabilities</strong></td>
</tr>
<tr>
<td>Interest</td>
<td>Creditors and accrued expenses [Liability1]</td>
</tr>
<tr>
<td>Dividends</td>
<td>Trade and other payables</td>
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<td></td>
<td>accrued expenses</td>
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<tr>
<td>Other Revenue [Revenue6]</td>
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<tr>
<td>Gain on sale/skip of assets</td>
<td></td>
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<tr>
<td>Insurance payouts</td>
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<td>Exposures received</td>
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<td></td>
<td><strong>Expenses</strong></td>
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<tr>
<td></td>
<td>Expenses related to public fundraising [Expense1]</td>
</tr>
<tr>
<td></td>
<td>Employee costs payable [Liability2]</td>
</tr>
<tr>
<td></td>
<td>Entity may like to list fundraising campaign or type</td>
</tr>
<tr>
<td></td>
<td>wages and salaries earned but not yet paid</td>
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<td></td>
<td>Holiday pay accrual</td>
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<td>ACC contributions owing</td>
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<td>KIWF contributions owing</td>
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<td>Unused donations and grants with conditions [Liability3]</td>
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</tbody>
</table>
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STEP ONE - BASIC INFORMATION

Please complete the following information for your entity, this will then flow into the Performance Report.

Full name of organisation

NZART AREC EMERGENCY FUNDS TRUST

For the year ended

30 June 2017

This workbook contains a number of formulae and other features designed to make it's completion as easy as possible. To avoid inadvertent overwriting of this functionality, the workbooks have been password protected. The password is noted below, so that entities that wish to modify the workbook can do so. However, it is recommended that extreme care be taken if any modification is undertaken.

PASSWORD: xrb  (Note password is case-sensitive)
<table>
<thead>
<tr>
<th>Non-Financial Information:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entity Information</td>
<td>2</td>
</tr>
<tr>
<td>Statement of Service Performance</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Information:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Performance</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>6</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>7</td>
</tr>
<tr>
<td>Statement of Accounting Policies</td>
<td>8</td>
</tr>
<tr>
<td>Notes to the Performance Report</td>
<td>9</td>
</tr>
</tbody>
</table>

[If the entity has an Independent Auditors Report or Independent Review Report - add this to your contents and attach to the Performance Report]
## NZART AREC EMERGENCY FUNDS TRUST

### Entity Information

**"Who are we?", "Why do we exist?"**

For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Legal Name of Entity:*</th>
<th>NZART AREC EMERGENCY FUNDS TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Name of Entity (if any):</td>
<td></td>
</tr>
<tr>
<td>Type of Entity and Legal Basis (if any):*</td>
<td>Charitable Trust - Deregistered 27/1/2015</td>
</tr>
<tr>
<td>Registration Number:</td>
<td>Previously CC 40559</td>
</tr>
</tbody>
</table>

### Entity's Purpose or Mission: *

To foster the provision of radio communications for emergency purposes, including radio communications for Search and Rescue operations. To receive funds and distribute to effect the above.

### Entity Structure: *

Amateur Radio Emergency Communications (AREC) is a subgroup of the New Zealand Amateur Radio Transmitters (NZART), an Incorporated Society with the objective to promote amateur radio in New Zealand. NZART also has an objective to provide emergency and other communications services for authorities as required, including the New Zealand Search and Rescue Council (NZSAR) and other entities requiring radio communications for emergency purposes in New Zealand.

AREC operates under the direction of a National Director who is appointed by and responsible to the Executive Council of NZART.

Three Trustees comprising the President - New Zealand Amateur Radio Transmitters (NZART - CC 54596); National Director - Amateur Radio Emergency Communications (AREC); Chief Executive Officer - NZ Search and Rescue (NZSAR). All decisions made by the Trustees must be unanimous.
Main Sources of the Entity's Cash and Resources:*
NZART AREC Emergency Funds Trust's main source of funding is an annual grant from the Ministry of Transport.

Main Methods Used by the Entity to Raise Funds:*
The Trust relies primarily on an annual grant from the Ministry of Transport for funding.

Entity's Reliance on Volunteers and Donated Goods or Services:
The Trust relies on volunteers who are New Zealand Amateur Radio Transmitter (NZART) members to provide communications support to the New Zealand Police and the New Zealand Land Search and Rescue organisation.
**NZART AREC EMERGENCY FUNDS TRUST**

**Entity Information**

"Who are we?", "Why do we exist?"

For the year ended

30 June 2017

**Contact details**

<table>
<thead>
<tr>
<th>Physical Address:</th>
<th>Suite 9, 19 Main Street, Upper Hutt, 5140</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postal Address:</td>
<td>NZART, Box 40 - S25, Upper Hutt 5400</td>
</tr>
<tr>
<td>Phone/Fax:</td>
<td>04 939 2189</td>
</tr>
<tr>
<td>Email/Website:</td>
<td><a href="mailto:nzart@nzart.org.nz">nzart@nzart.org.nz</a></td>
</tr>
</tbody>
</table>

The Amateur Radio Emergency Communications (AREC) was formed after the 1932 Napier earthquake to train and provide skilled amateur radio operators to provide reliable communications services throughout New Zealand for any type of emergency. There are 80 AREC Sections throughout the country, each attached to a NZART Branch. All AREC members are unpaid volunteers.
Description of the Entity's Outcomes:
The Trust provides resources for its members to support search and rescue operations throughout New Zealand. This is achieved by the provision of emergency radio communications by a network of AREC members who volunteer their time and expertise to support search and rescue teams that are convened and controlled by New Zealand Police coordinators. The AREC primary objective is to assist the timely rescue of anyone who has become lost, whether in New Zealand's remote mountains, rural or metropolitan areas.

<table>
<thead>
<tr>
<th>Description and Quantification (to the extent practicable) of the Entity's Outputs:*</th>
<th>Actual*</th>
<th>Budget</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
<td></td>
</tr>
<tr>
<td>Number of Search and Rescue Operations (SAROPS) supported by AREC members throughout New Zealand.</td>
<td>60</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Additional Output Measures:

Additional Information:
NZART AREC EMERGENCY FUNDS TRUST
Statement of Financial Performance
"How was it funded?" and "What did it cost?"
For the year ended
30 June 2017

<table>
<thead>
<tr>
<th></th>
<th>Actual*</th>
<th></th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Year</td>
<td>This Year</td>
<td>Last Year</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations, fundraising and other similar revenue*</td>
<td>$74,750</td>
<td>$74,750</td>
<td></td>
</tr>
<tr>
<td>Fees, subscriptions and other revenue from members*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from providing goods or services*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends and other investment revenue*</td>
<td>$128</td>
<td>$598</td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$74,878</td>
<td>-</td>
<td>$75,348</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses related to public fundraising*</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Volunteer and employee related costs*</td>
<td>$14,994</td>
<td>$117,731</td>
<td></td>
</tr>
<tr>
<td>Costs related to providing goods or services*</td>
<td>$75,566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and donations made*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses - Administration</td>
<td>$2,173</td>
<td>$2,602</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$92,733</td>
<td>-</td>
<td>$120,333</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) for the Year</strong></td>
<td>$(17,855)</td>
<td>-</td>
<td>$(44,885)</td>
</tr>
</tbody>
</table>
### NZART AREC EMERGENCY FUNDS TRUST

**Statement of Financial Position**

"What the entity owns?" and "What the entity owes?"

**As at**

**30 June 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>This Year</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank accounts and cash*</td>
<td>62,850</td>
<td>-</td>
<td>80,705</td>
</tr>
<tr>
<td>Debtors and prepayments*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventory*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>62,850</td>
<td>-</td>
<td>80,705</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>62,850</td>
<td>-</td>
<td>80,705</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft*</td>
<td>450</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Creditors and accrued expenses*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee costs payable*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unused donations and grants with conditions*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>450</td>
<td>-</td>
<td>450</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>450</td>
<td>-</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total Assets less Total Liabilities (Net Assets)</strong></td>
<td>62,400</td>
<td>-</td>
<td>80,255</td>
</tr>
<tr>
<td><strong>Accumulated Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contributed by owners or members*</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Accumulated surpluses or (deficits)*</td>
<td>(17,855)</td>
<td>(44,985)</td>
<td>(44,985)</td>
</tr>
<tr>
<td>Reserves*</td>
<td>80,245</td>
<td>125,230</td>
<td>125,230</td>
</tr>
<tr>
<td><strong>Total Accumulated Funds</strong></td>
<td>62,400</td>
<td>-</td>
<td>80,255</td>
</tr>
</tbody>
</table>
## NZART AREC EMERGENCY FUNDS TRUST

**Statement of Cash Flows**

"How the entity has received and used cash"

For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities*</th>
<th>Actual* $</th>
<th>Budget $</th>
<th>Actual* $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash was received from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations, fundraising and other similar receipts*</td>
<td>74,750</td>
<td>74,750</td>
<td></td>
</tr>
<tr>
<td>Fees, subscriptions and other receipts from members*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from providing goods or services*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends and other investment receipts*</td>
<td>128</td>
<td>598</td>
<td></td>
</tr>
<tr>
<td>Net GST</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was applied to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers and employees*</td>
<td>92,733</td>
<td>120,333</td>
<td></td>
</tr>
<tr>
<td>Donations or grants paid*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Flows from Operating Activities*</td>
<td>(17,855)</td>
<td>-</td>
<td>(44,985)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from Investing and Financing Activities*</th>
<th>Actual* $</th>
<th>Budget $</th>
<th>Actual* $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash was received from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from the sale of property, plant and equipment*</td>
<td></td>
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</tr>
<tr>
<td>Receipts from the sale of investments*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from loans borrowed from other parties*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contributed from owners or members*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was applied to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire property, plant and equipment*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to purchase investments*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of loans borrowed from other parties*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital repaid to owners or members*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Flows from Investing and Financing Activities*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase / (Decrease) in Cash</th>
<th>Actual* $</th>
<th>Budget</th>
<th>Actual* $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Cash*</td>
<td>80,705</td>
<td>-</td>
<td>125,690</td>
</tr>
<tr>
<td>Closing Cash*</td>
<td>62,850</td>
<td>-</td>
<td>80,705</td>
</tr>
<tr>
<td>This is represented by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Accounts and Cash*</td>
<td>62,850</td>
<td>-</td>
<td>80,705</td>
</tr>
</tbody>
</table>
NZART AREC EMERGENCY FUNDS TRUST
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
30 June 2017

<table>
<thead>
<tr>
<th>Basis of Preparation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZART AREC Emergency Funds Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than $2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goods and Services Tax (GST)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZART AREC Emergency Funds Trust is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZART AREC Emergency Funds Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Accounts and Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement of Financial Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZART AREC Emergency Funds Trust is a not for profit non-trading organisation established to foster the provision of radio communications for Search and Rescue operations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Differential Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZART AREC Emergency Funds Trust financial statements have been prepared in accordance with the framework for for Differential Reporting issued by the Institute of Chartered Accountants of New Zealand. All applicable exemptions are applied.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in Accounting Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>There have been no changes in accounting policies during the financial year (last year - nil)</td>
</tr>
</tbody>
</table>
### Note 1: Analysis of Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and other similar revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees, subscriptions and other revenue from members</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Total</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from providing goods or services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from grants or contracts for services</td>
<td></td>
<td>74,750</td>
<td>56,063</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>74,750</td>
<td>56,063</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, dividends and other investment revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td>598</td>
<td>843</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td>598</td>
<td>843</td>
</tr>
</tbody>
</table>
NZART AREC EMERGENCY FUNDS TRUST
Notes to the Performance Report
For the year ended
30 June 2017

Note 1: Analysis of Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Note 2: Analysis of Expenses

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses related to public fundraising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer and employee related costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs related to providing goods or services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs relating to service delivery</td>
<td></td>
<td>117,731</td>
<td>77,679</td>
</tr>
<tr>
<td>Administration and overhead costs</td>
<td></td>
<td>2,602</td>
<td>1,372</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

**120,333** **79,051**
### Asset Item Analysis

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank accounts and cash</td>
<td>$62,860</td>
<td>$122,557</td>
</tr>
<tr>
<td>AREC Operations Account</td>
<td>$17,845</td>
<td>$3,133</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$80,705</strong></td>
<td><strong>$125,690</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors and prepayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Item</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Note 3: Analysis of Assets and Liabilities

<table>
<thead>
<tr>
<th>Liability Item</th>
<th>Analysis</th>
<th>This Year</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors and accrued expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Employee costs payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unused donations and grants with conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Note 4: Property, Plant and Equipment

#### This Year

<table>
<thead>
<tr>
<th>Asset Class*</th>
<th>Opening Carrying Amount*</th>
<th>Purchases</th>
<th>Sales/Disposals</th>
<th>Current Year Depreciation and Impairment*</th>
<th>Closing Carrying Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Motor Vehicles*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and fixtures*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computers (including software)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Machinery*</td>
<td>65,619</td>
<td>54,343</td>
<td>-</td>
<td>47,985</td>
<td>71,977</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65,619</td>
<td>54,343</td>
<td>-</td>
<td>47,985</td>
<td>71,977</td>
</tr>
</tbody>
</table>

#### Last Year

<table>
<thead>
<tr>
<th>Asset Class*</th>
<th>Opening Carrying Amount*</th>
<th>Purchases</th>
<th>Sales/Disposals</th>
<th>Current Year Depreciation and Impairment*</th>
<th>Closing Carrying Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Motor Vehicles*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and fixtures*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computers (including software)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Machinery*</td>
<td>109,364</td>
<td>43,745</td>
<td>-</td>
<td>65,619</td>
<td>65,619</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>109,364</td>
<td>43,745</td>
<td>65,619</td>
<td>65,619</td>
</tr>
</tbody>
</table>

#### Significant Donated Assets Recorded - Source and Date of Valuation*

<table>
<thead>
<tr>
<th>Source of Valuation*</th>
<th>Date of Valuation*</th>
</tr>
</thead>
</table>

#### Significant Donated Assets - Not Recorded*
### Notes to the Performance Report

**For the year ended 30 June 2017**

#### Note 5: Accumulated Funds

<table>
<thead>
<tr>
<th>Description*</th>
<th>Capital Contributed by Owners or Members*</th>
<th>Accumulated Surpluses or Deficits*</th>
<th>Reserves*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>This Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>10</td>
<td>(44,985)</td>
<td>125,230</td>
<td>80,255</td>
</tr>
<tr>
<td>Capital contributed by owners or members*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital returned to owners or members*</td>
<td>-</td>
<td>(17,855)</td>
<td>-</td>
<td>(17,855)</td>
</tr>
<tr>
<td>Surplus/(Deficit)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Distributions paid to owners or members*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Reserves*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from Reserves*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>10</td>
<td>(17,855)</td>
<td>80,245</td>
<td>62,400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description*</th>
<th>Capital Contributed by Owners or Members*</th>
<th>Accumulated Surpluses or Deficits*</th>
<th>Reserves*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>10</td>
<td>125,230</td>
<td>125,240</td>
<td>80,255</td>
</tr>
<tr>
<td>Capital contributed by owners or members*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital returned to owners or members*</td>
<td>-</td>
<td>(44,985)</td>
<td>(44,985)</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Deficit)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Distributions paid to owners or members*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Reserves*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from Reserves*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>10</td>
<td>(44,985)</td>
<td>125,230</td>
<td>80,255</td>
</tr>
</tbody>
</table>

#### Breakdown of Reserves

<table>
<thead>
<tr>
<th>Name*</th>
<th>Nature and Purpose*</th>
<th>Actual*</th>
<th>Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>This Year</td>
<td>Last Year</td>
</tr>
<tr>
<td>Trustees Account</td>
<td>To receive grant funding and disburse expenses via the AREC Operations Account</td>
<td>80,245</td>
<td>125,230</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>80,245</td>
<td>125,230</td>
</tr>
<tr>
<td><strong>Commitments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are no commitments as at balance date (Last Year - nil)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Contingent Liabilities and Guarantees</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>There are no contingent liabilities or guarantees as at balance date (Last Year - nil)</td>
<td></td>
</tr>
</tbody>
</table>
Note 7: Other

Related Party Disclosures:
There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 10: Events After the Balance Date

Events After the Balance Date:
There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)
Below are the drop down lists to assist the user to enter details into the optional notes contained in the template (Notes 1,2 and 3). These are suggestions only and can be modified by the user.

<table>
<thead>
<tr>
<th>Statement of Financial Performance</th>
<th>Statement of Financial Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td>Fundraising revenue [Revenue1]</td>
<td>Bank accounts and cash [Asset1]</td>
</tr>
<tr>
<td>Entity may like to list fundraising campaign or type</td>
<td>Cheque account balance</td>
</tr>
<tr>
<td></td>
<td>Savings account balance</td>
</tr>
<tr>
<td></td>
<td>Trust Current Account</td>
</tr>
<tr>
<td></td>
<td>ARC Operations Account</td>
</tr>
<tr>
<td></td>
<td>Debtors and prepayments [Asset2]</td>
</tr>
<tr>
<td></td>
<td>Accounts receivable</td>
</tr>
<tr>
<td></td>
<td>Prepayments</td>
</tr>
<tr>
<td></td>
<td>GST Receivable</td>
</tr>
<tr>
<td></td>
<td>Other receivables</td>
</tr>
<tr>
<td>Donations and other similar revenue [Revenue2]</td>
<td>Inventory [Asset3]</td>
</tr>
<tr>
<td>Grants for current operations</td>
<td>Food or clothing held</td>
</tr>
<tr>
<td></td>
<td>Shop Stock</td>
</tr>
<tr>
<td>Grants for capital purposes</td>
<td>Other current assets [Asset4]</td>
</tr>
<tr>
<td>Grants not directly related to service delivery</td>
<td>Short term deposits</td>
</tr>
<tr>
<td>Donations/koha from the public</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Investments [Asset5]</td>
</tr>
<tr>
<td></td>
<td>Stocks and shares</td>
</tr>
<tr>
<td></td>
<td>Investment property</td>
</tr>
<tr>
<td></td>
<td>Cash held in investment portfolio</td>
</tr>
<tr>
<td>Income from sales to members</td>
<td>Other non-current assets [Asset6]</td>
</tr>
<tr>
<td></td>
<td>Intangible assets</td>
</tr>
<tr>
<td></td>
<td><strong>Liabilities</strong></td>
</tr>
<tr>
<td></td>
<td>Creditors and accrued expenses [Liability1]</td>
</tr>
<tr>
<td></td>
<td>Trade and other payables</td>
</tr>
<tr>
<td></td>
<td>Accrued expenses</td>
</tr>
<tr>
<td></td>
<td>GST Payable</td>
</tr>
<tr>
<td></td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Revenue from providing goods or services [Revenue4]</td>
<td>Employee costs payable [Liability2]</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with central government</td>
<td>Wages and salaries earned but not yet paid</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with local government</td>
<td>Holiday pay annual</td>
</tr>
<tr>
<td>Revenue from grants or contracts for service with non-governmental agencies</td>
<td>ACC contributions owing</td>
</tr>
<tr>
<td>Revenue from sales to the public</td>
<td>KiwiSaver contributions owing</td>
</tr>
<tr>
<td>Revenue from commercial activities</td>
<td>Unused donations and grants with conditions [Liability3]</td>
</tr>
<tr>
<td>Lease or rental revenue</td>
<td><strong>Expenses</strong></td>
</tr>
<tr>
<td>Commission revenue</td>
<td><strong>Other expenses</strong></td>
</tr>
<tr>
<td></td>
<td>Grants and donations made [Expense6]</td>
</tr>
<tr>
<td>Interest, dividends and other investment revenue [Revenue5]</td>
<td>Entity may like to list recipients of grants / donations</td>
</tr>
<tr>
<td>Interest</td>
<td><strong>Other Revenue</strong></td>
</tr>
<tr>
<td>Dividends</td>
<td>Gain on sale/disposal of assets</td>
</tr>
<tr>
<td></td>
<td>Accrued expenses</td>
</tr>
<tr>
<td></td>
<td>GST Payable</td>
</tr>
<tr>
<td></td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Other Revenue [Revenue6]</td>
<td><strong>Expenses related to public fundraising</strong> [Expense1]</td>
</tr>
<tr>
<td>Gain on sale/disposal of assets</td>
<td>Entity may like to list fundraising campaign or type</td>
</tr>
<tr>
<td>Insurance products</td>
<td></td>
</tr>
<tr>
<td>Equities received</td>
<td></td>
</tr>
<tr>
<td>Expenses related to public fundraising [Expense1]</td>
<td></td>
</tr>
<tr>
<td>Entity may like to list fundraising campaign or type</td>
<td></td>
</tr>
<tr>
<td>Volunteer and employee related expenses [Expense2]</td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td></td>
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<tr>
<td>Superannuation contributions</td>
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<tr>
<td>KiwiSaver contributions</td>
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<tr>
<td>ACC levies</td>
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<tr>
<td>Costs related to providing goods or services [Expense3]</td>
<td></td>
</tr>
<tr>
<td>Direct costs relating to service delivery</td>
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<tr>
<td>Other service delivery costs</td>
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<tr>
<td>Administration and overhead costs</td>
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<tr>
<td></td>
<td>Grants and donations made [Expense6]</td>
</tr>
<tr>
<td>Entity may like to list recipients of grants / donations</td>
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</tr>
<tr>
<td></td>
<td><strong>Other expenses</strong></td>
</tr>
<tr>
<td>Affiliation fees</td>
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<tr>
<td>Interest/credit servicing costs</td>
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<tr>
<td>Depreciation</td>
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<tr>
<td>Bad debts</td>
<td></td>
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<tr>
<td>Impairment charges</td>
<td></td>
</tr>
<tr>
<td>Loss on sale of disposal of assets</td>
<td></td>
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</tbody>
</table>