



Champions Trophy

Case Competition 2013



Case 1: Royal New Zealand Coastguard 30 January 2013

Case prepared by Ms Helen Wu under the supervision of Mr Sunny Gu. This case has been prepared solely for the Champions Trophy Case Competition. All data in this case has been obtained from publicly available sources and Royal New Zealand Coastguard. The case is not intended to serve as an endorsement, a source of primary data or an illustration of effective or ineffective management.



Phillipa Philanthropy

From: Phillipa Philanthropy
Sent: Wednesday 30 January 2013
To: Coastguard New Zealand project team
CC: John Jobs, Michelle Money, David Dollar, Peter Partner
Subject: Royal New Zealand Coastguard Strategy Presentation

Good morning team,

Our second client is The Royal New Zealand Coastguard, a charity that conducts marine search and rescue operations and promotes maritime safety to the boating public. With more than 2,400 trained volunteers across the country and a fleet of boats and aircraft, Coastguard New Zealand is the primary search and rescue responder to boating incidents in New Zealand.

The Royal New Zealand Coastguard Inc. was formed in 2004, when 63 of the Coastguard Affiliated Units that were part of the Coastguard Federation agreed to sort into four regions, which together with the national office constituted the nationwide organisation and has the motto: "The charity saving lives at sea". Staffed almost entirely by volunteers, Coastguard New Zealand conducted over 3,300 rescue missions in 2012 to assist over 6,600 people from the Far North to Bluff.

Like many charitable organisations, Coastguard New Zealand's biggest challenge is finding a sustainable source of funding that will enable it to continue to offer its critical, life-saving services to the public. Conducting search and rescue operations is a costly endeavour due to the need to train volunteers and replace ageing vessels. This is compounded by the widespread misconception amongst "boaties" that Coastguard New Zealand is fully funded by the government, the disparities in regional membership schemes, and the organisation's relatively low public profile compared to other local charities.

With the view of providing a recommendation on how Coastguard New Zealand can better achieve its goals, CEO Patrick Holmes would like you to focus in on possible sources of sustainable funding for the organisation, including a national membership scheme and awareness-raising drives. In considering the above, please note that the organisation has traditionally had a preference to avoid high profile corporate sponsorships, and please also be aware that a comprehensive review of the organisation structure is already being considered.

You will have ten minutes to present your recommendations, which will be followed by a ten-minute question and answer session to clarify any issues. Our research team has compiled some relevant information, which I have attached to this email.

Regards,

Phillipa Philanthropy,
SYG Consulting Group



Background and Operations



The Royal New Zealand Coastguard Inc.

“Coastguard is about keeping New Zealanders safe on the water and saving lives at sea. Our courageous volunteers have consistently and tirelessly delivered on that promise...” – Patrick Holmes, CEO

The charity saving lives at sea

The earliest recorded search and rescue operation in New Zealand occurred in 1861. Since then, maritime search and rescue practice has become an established, organised practice across the country, with the majority of missions being carried out by Coastguard.

Most Coastguard units were initially formed independently. Their formation often followed boating tragedies in the area, and was the result of the effort of passionate members of the community who wanted to ensure that such an incident did not occur again.

In 1976, the New Zealand Coastguard Federation was established to give local sea rescue organisations a stronger voice and broader reach in safety promotion and fundraising.

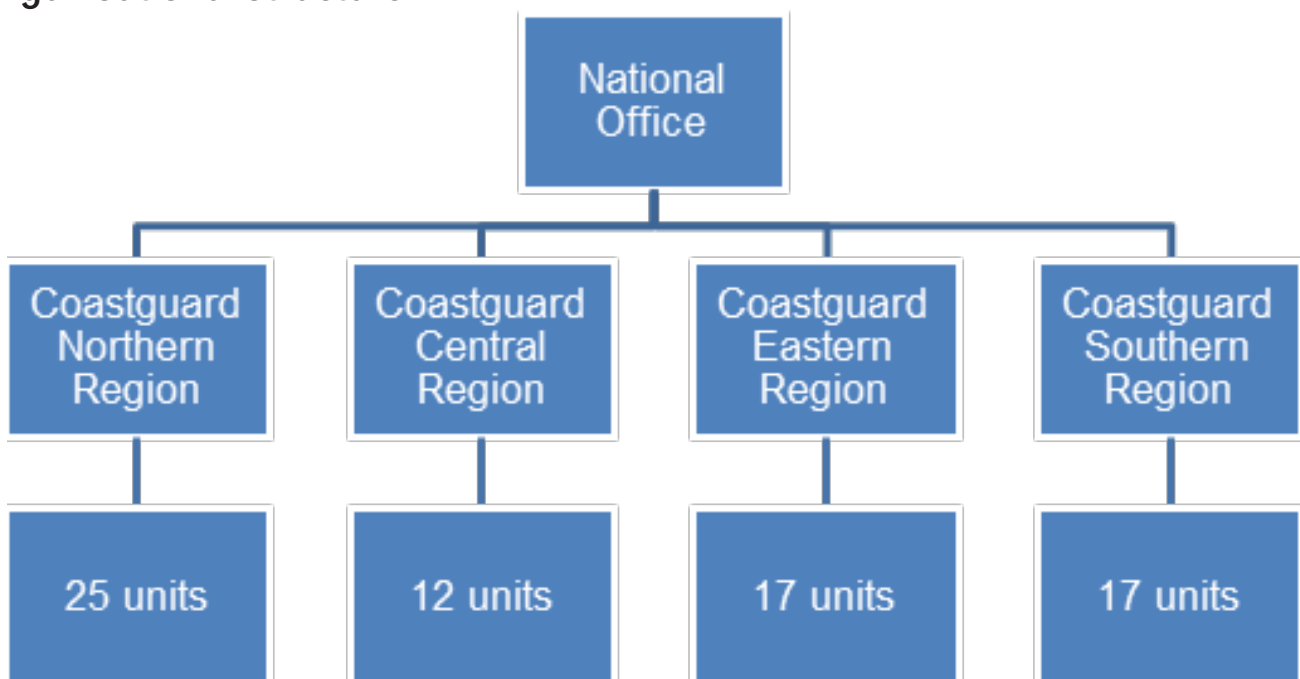
The Royal New Zealand Coastguard Inc. was formed in 2004, when 63 of the Coastguard Affiliated Units that were part of the Coastguard Federation agreed to sort into four regions, which together with the national office constituted the nationwide organisation. This amalgamation allowed Coastguard to finally adopt a unified logo and mission statement, which enhanced its ability to develop the Coastguard brand and a broader public profile. Today the organisation is the primary provider of maritime search and rescue services to the New Zealand public.

Coastguard’s trained volunteers are on call throughout the country, 24 hours a day, 365 days a year.

Boating in New Zealand

New Zealand has a strong recreational boating culture, with a trip out on the water for either fishing or sightseeing being a quintessential part of many locals’ vacation plans. As a nation with a well-established seagoing history dating back to the earliest Polynesian settlers, New Zealand claims to have more boats per capita than any other country in the world. 500,000 pleasure craft operate in New Zealand waters and more than one million people take to water on recreational craft each year¹. The popularity of charter boats and smaller vessels means that boating is a relatively accessible pastime here, with members of the boating public generally referred to as “boaties”.

Organisational structure



Coastguard New Zealand operates on three levels: unit, regional, and national. There are currently 71 units across the country, falling under four regions: Northern, Central, Southern, and Eastern.

¹Maritime New Zealand Annual Report 2011/12

The national office is responsible for the overarching vision and strategic direction for Coastguard. It is also responsible for distributing contributions received as part of Coastguard's service level agreement with the New Zealand Government, grants received from the New Zealand Lottery Grants Board, as well as grants from other sources. It assists with coordinating the activities of different regions, organises nationwide fundraising appeals such as the annual Mayday Appeal, and fulfils other administrative, IT and operational support functions.

Regional offices assist Coastguard units with training, education, fundraising, and sponsorship. Each regional office is responsible for assisting units in its geographical area.

Coastguard units sit at the operational end of the organisation, and are responsible for actually conducting search and rescue operations where needed. Each unit has its own board, is responsible for the acquisition and replacement of its fleet of rescue vessels, and raises funds from the local community which it directs to appropriate purposes at its discretion. While units receive distributions from the national office, they are primarily funded by donations from their own communities. Each unit is also responsible for setting and collecting membership fees from the boating public in its area of governance.

The independent nature of Coastguard's operational units is a legacy of the process through which the organisation was formed, as individual units were initially formed independently to serve their own communities.

Coastguard's operations

Volunteers

"There's a particular camaraderie that belongs only to those who've shared in a challenge to save the life of a fellow human being. It's an experience that Coastguard crews know and value."

Every crew member on a Coastguard mission is a volunteer. Aspiring volunteers must undergo a rigorous training programme that covers seamanship, boat handling, navigation, leadership, as well as marine search and rescue techniques. Volunteers undertake regular training to maintain an optimal level of skill and expertise that will allow them to deal with challenging conditions on rescue missions.

Volunteers are at the core of Coastguard New Zealand; without their tireless dedication there would be no Coastguard missions. After undergoing training, volunteers are on call for varied periods of time throughout the year depending on the staffing levels and needs of their unit, and undertake missions in often challenging and dangerous conditions to rescue boaties at sea.

In 2012, Coastguard New Zealand's 2,398 volunteers gave a total of 363,108 hours of their time. This amounts to over 151 hours per volunteer over the past year.

Membership

Currently, members of the boating public can sign up to be a member of their local Coastguard New Zealand unit by registering and paying an annual membership fee. Membership benefits vary between different units, with some offering unlimited assists with the membership while others limit the number of assists covered per year. Membership fees also vary in different regions, for example the cost of an individual membership in the North Shore (a heavily populated region in Auckland with a large body of boaties) unit is \$110 per year, while the cost of a regular membership in the Turangi unit (which is located at a more sparsely populated location with fewer boaties) is \$60 per year. In addition to this, Coastguard New Zealand also provides assistance to non-members who call for help.

Search and rescue operations

Coastguard New Zealand's search and rescue operations fall under two main categories:

1. Coastguard rescue missions or Coastguard Operations (CGOPS)

These missions make up the vast majority of Coastguard New Zealand call-outs. Volunteers are trained to respond to a range of situations from having to tow a boat back to shore due to mechanical problems, to the urgent and life-threatening (dealing with sinking vessels or boaties that have suffered heart attacks or other physical injuries), often in rough seas. These callouts are usually triggered by radio calls from boaties and are primarily organised by their nearest Coastguard New Zealand unit.

In 2012 Coastguard New Zealand volunteers conducted a total of 3,339 missions across the country, assisting 6,634 people.

2. Search and Rescue Operations (SAROPS)

Coastguard New Zealand receives a fixed level of funding from the New Zealand government on a yearly basis for undertaking primary search and rescue duties for Category I and II Search and Rescue Operations (SAROPS). This formal arrangement is called a "service level agreement" or "SLA".

SAROPS are distinct from CGOPS described above, which make up the majority of Coastguard's missions. They are search and rescue operations which are tasked or commissioned by either the New Zealand Police or the Rescue Co-ordination Centre of New Zealand.

In the maritime context:

- Category I SAROPS are coordinated by the New Zealand Police. These are usually marine searches within New Zealand territorial waters ie, within 12 nautical miles of the shore.
- Category II SAROPS are coordinated by the Rescue Co-ordination Centre of New Zealand (RCCNZ). These may include searches for missing aircraft or aircraft in distress, off-shore searches within New Zealand's search and rescue region (which covers a much larger area than territorial waters), and searches for activated emergency locator beacons. Category II SAROPS usually require the use of other national or international civil and military resources.

The level of funding under the SLA is reviewed every three years, and starting from fiscal year 2012 (01/07/2011 - 30/06/2012) has decreased from NZ\$2.219 million to NZ\$1.874 million per year.

Note - while in certain countries, such as the United States, the Coastguard is an arm of the executive government and has border patrol as well as other law enforcement functions, Coastguard New Zealand does not carry out executive activities and engages in search and rescue operations and safety promotion only. It is not responsible for any form of law enforcement.

Coastguard Boating Education (CBE)

CBE is a fully owned subsidiary of Coastguard New Zealand. It is New Zealand’s leading provider of recreational boating education courses, and offers a variety of courses for people of different levels of boating experience. Courses are divided into core and specialised.

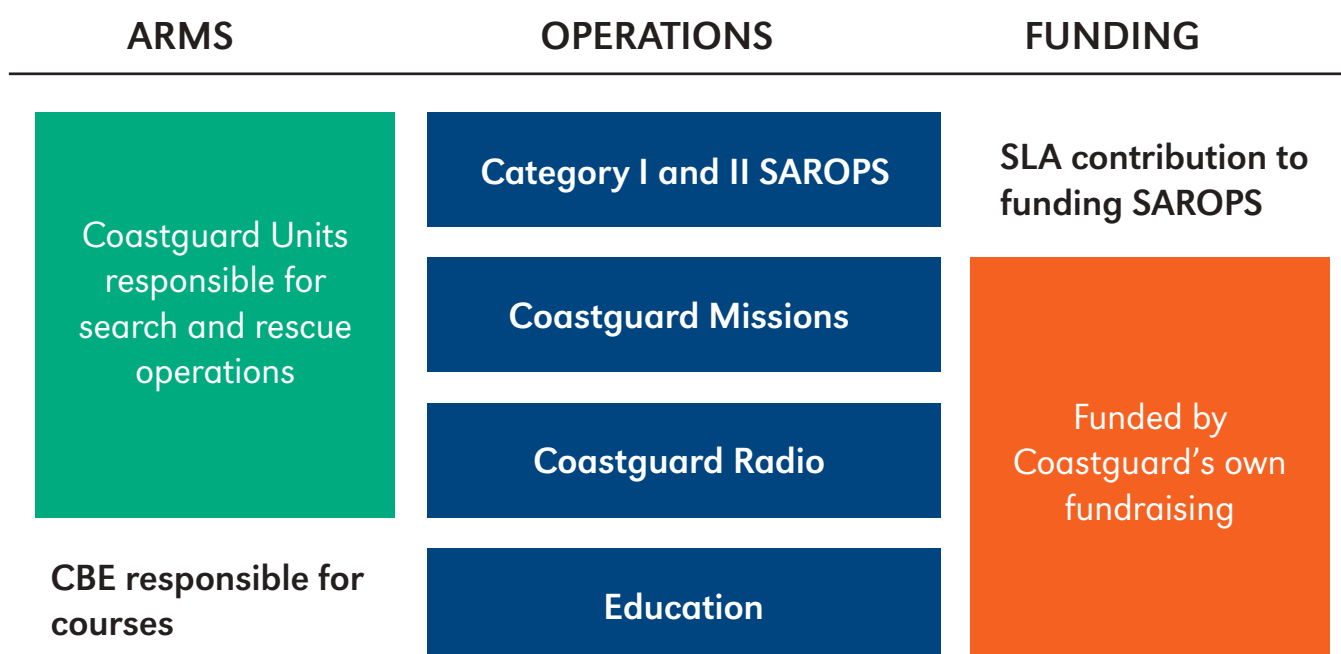
Core courses are aimed at a broad audience and are widely available throughout the country. CBE offers three core courses:

1. Day skipper – this is an introductory course for members of the public that have little experience in boating. It is applicable to a wide range of vessels and covers the basics: boat operations, navigation, regulations, emergencies, and other basic maritime knowledge.
2. Boatmaster – this is a more advanced course for boaties with some existing experience at sea. It covers equipment, emergencies, ropes, as well as navigation, boat handling, and regulations in more detail than in the “Day skipper” course.
3. Maritime VHF Operator Certificate – all users of Marine VHF Radio are required to take this course, which covers how to operate the device. Students learn about routine operation of the radio, safety precautions, and appropriate emergency actions.

Specialty courses are aimed at boaties with specific interests in boating, and often have more limited availability. These include courses in sea survival, inboard and outboard engine maintenance, and marine medic training.

VHF Radio Network

Coastguard operates a VHF network which provides communication for both emergencies and other non-urgent communication. Coastguard also provides free of charge the Coastguard NowCasting service for the boating public which provides automatic marine wind and weather condition updates in real time.



Finances

Coastguard New Zealand's services across the country cost \$10-12 million to run on a yearly basis. Each rescue vessel costs approximately \$280 per hour to operate, while the cost of training volunteers comes to approximately \$34.40 per week for each volunteer.

Rescue Vessel replacement costs range from \$400,000 to \$1.3 million, depending on the size of the vessel. This is a significant expenditure item for Coastguard units, and vessel replacement programmes have been affected by the cut in service level agreement funding.

Funding – national level

While government funding for the service level agreement makes up approximately 33% of the revenue received by Coastguard New Zealand's national office, each unit is able to raise money for its operations from surrounding communities and hence the distributions of government funds typically makes up approximately 20% of the monies used by individual Coastguard units.

The service level agreement is fixed at NZ\$1.874 million per year for the next two years and will be subject to review in 2013/14. It does not and is not intended to cover the full cost of Coastguard New Zealand's search and rescue services, and goes towards the organisation being a primary responder to category I and II SAROPS (search and rescue operations) only. It does not fund CGOPS.

A second significant source of income for the national office is grants from the New Zealand Lottery Grants Board. This was approximately NZ\$1.7 million in FY2012 and NZ\$1.5 million in the previous year, and is a relatively stable source of funding.

Mayday Appeal – “Train One, Save Many”

This is a relatively new annual fundraising appeal which was rolled out nationally in May 2011. The message is simple: donate to train volunteers so that they can gain the skills and expertise necessary to save others at sea.

Coastguard lotteries

Coastguard New Zealand runs several lotteries a year with prizes including boats, luxury cruises, and cars. These lotteries are a significant contributor to the funds generated to run Coastguard. The most high profile of its lotteries is the Summer Lottery, which has local units selling tickets in their local communities as well as sales made via direct mail. The other lotteries run throughout the year are via direct mail.

Payroll giving

This is a newly available form of fundraising whereby the donor can request for a fixed amount to donate to an approved donee organisation (of which Coastguard New Zealand is one). The donations are deducted and the donor automatically receives a 33.33% tax rebate.

FY2012 Income for Coastguard New Zealand's National Office	NZD
Contribution from the New Zealand Government	1,874,000
Grants from New Zealand Lottery Grants Board	1,714,726
Other income	791,149
Examination fees	487,260
Other grants (from New Zealand Police, Water Safety NZ Inc., and others)	463,786
Sales of publications	257,785
Interest received	89,756
Sponsorship	52,490
Donations	22,760
Total Income	\$5,753,712

Funding – unit level

Each Coastguard Unit has its own board of directors and accounts, and raises money from the local community as needed. Units are also responsible for maintaining their membership schemes and setting and collecting membership fees. This has meant that units which are located in areas with larger boating communities and more members are often better funded than smaller units in far-flung areas.

Due to the lumpy nature of vessel replacement expenditure and the close relationships that units have with their communities, the majority of fundraising drives are coordinated on a local level and are focused on raising a set amount of funds for a specified purpose, eg, replacing or purchasing a particular vessel.

Funding – national level

While government funding for the service level agreement makes up approximately 33% of the revenue received by Coastguard New Zealand's national office, each unit is able to raise money for its operations from surrounding communities and hence the distributions of government funds typically makes up approximately 20% of the monies used by individual Coastguard units.



Challenges



Challenges

To achieve its goals, Coastguard New Zealand needs to source a large amount of funding from grants, donations, and sponsorships. It faces a number of pressing challenges to delivering its services at a high standard and ensuring the safety of the boating public.

Awareness

Coastguard New Zealand has a relatively low public profile, and a common perception amongst members of the public is that the search and rescue operation it conducts is fully funded by the New Zealand government. There are three aspects to the awareness issue:

1. Safety awareness

The majority of callouts that Coastguard New Zealand attends to are due to mechanical failure, and could be avoided with proper maintenance. A recent education campaign undertaken by Coastguard New Zealand aims to popularise the “Boating Safety Code”, which has five key parts:

1. Take and wear life jackets.
2. Skipper is responsible for the safety of everyone on board.
3. Take a VHF radio for waterproof communications.
4. Check marine weather forecasts before going out.
5. Refrain from drinking alcohol before going out or while on the water.

While boaties that have taken safety courses understand the importance of abiding by these principles, there are many members of the public who go out on the water only on very rare occasions. While awareness of the importance of wearing a lifejacket on the water is high due to a nationwide television campaign by Maritime New Zealand, the other parts of the boating safety code remains less well known.

2. Boating public awareness

Coastguard members and the majority of the people who undertake safety courses understand the value of Coastguard membership and realise that it is a charity which cannot provide the current level of search and rescue operations without support from the community. However, many others are under an impression that Coastguard New Zealand is fully funded by the government and do not sign up for paid membership though they may encounter situations that require assistance from the organisation.

3. Public awareness

Coastguard New Zealand has been working to raise the profile of its activities, however general public awareness is still relatively low. As a result, the majority of donations from the public tends to come from local communities donating to their own Coastguard units in response to localised fundraising drives while donations to Coastguard New Zealand as a national organisation is at a lower level. The newly implemented annual Mayday Appeal and other fundraising initiatives aim to address this and have had some degree of success. Given Coastguard New Zealand’s limited marketing budget, there remain questions as to how to best utilise resources available to increase public awareness and drive donations.

Membership scheme

Currently, membership of Coastguard New Zealand is administered by local units and the corresponding regions. This has resulted in membership fees and benefits varying across different areas of the country, in addition to non-members being able to receive assistance from their local Coastguard units. There would be substantial benefits in terms of improved clarity and certainty of fees and benefits in the introduction of a standardised national membership scheme for boaties, however how best to execute this is unclear.

Sustainable funding

With the level of funding under the service level agreement under downward pressure due to the government's focus on fiscal restraint, Coastguard New Zealand faces having to cover the shortfall by raising more funds from the public for its operations. The level of funding is fixed until 2014, when it will be reviewed and adjusted.

Unlike other charities which process donations from the public through a centralised system, only a small amount of public donations are directed to Coastguard New Zealand's national office. The vast majority of donations are received directly by local Coastguard units and regions. Unfortunately this means that there is not currently a totally accurate picture of the actual amount of money donated Coastguard via units and regions. This means there are differences between levels and adequacy of funding between areas, depending on the degree of willingness and ability of the local community to donate. This is somewhat offset by the distribution of SLA funding among regions by the national office.



Selected press releases



Don't be a clown on the water this summer

- 15 December 2012, Maritime New Zealand

If you're going out on the water this summer, don't be a clown – wear a lifejacket.

Maritime New Zealand's popular "Don't Be a Clown" lifejacket advertising campaign has started again for the summer, and the message is simple. MNZ Maritime Officer Alistair Thomson says most drownings in New Zealand happen close to shore, in small boats under six metres in length.

"People think because they're not far out and they're with their mates that nothing bad's going to happen. But in a small boat, sometimes all it takes is for someone to stand up at the wrong time, stability is affected and over you go.

"Often there's no time to grab your lifejacket and put it on in an emergency, so it's best to make sure you're wearing it."

Mr Thomson says while all lifejackets will help if you end up in the water, it's also important to choose the right one for the job.

"There's no need to be clunking around in a large, unwieldy lifejacket – there are slimline inflatable lifejackets available for under \$100, and you can buy a basic personal flotation device for around \$30."

Maritime New Zealand is working with partners from Coastguard and Water Safety New Zealand to spread the boating safety messages, particularly in the high-risk Pacific and Māori communities.

"With the tragic case of a father and son drowning at Mangere Bridge in May, and the drowning of two men off Rangitoto Island last month, it's clear we have more to do to get the message home. We've allocated \$50,000 across the board to help educate Pacific and Māori people about safe boating – but every boatie in New Zealand should make sure they're not being clowns this summer," says Mr Thomson.

Safe boating messages for summer:

- Don't be a clown – wear your lifejacket.
- Avoid alcohol.
- Check the marine weather forecast.
- Carry two forms of communications equipment that will work when wet.

Church urges water safety

- 12 December 2012, Fairfax NZ News

A South Auckland reverend has worn a lifejacket to church to push home the water safety message among the Pacific Island community.

Rev Iki Pope of the Onehunga Co-operating Parish has worn a lifejacket in the pulpit and his church hands out certificates in front of the congregation to those who complete water safety courses "so all the families would see".

Pope said a different approach was needed for the message to sink in.

"We have to try tactics to convince people to get the message."

The church is part of campaign involving ACC, Coastguard and Maritime New Zealand to better educate Pacific people about water safety.

In the past five years, 45 Pacific Islanders have drowned in New Zealand, including So'saia Paasi, 45, and his son Tio, seven, who drowned after their boat also carrying three other children tipped in the Manukau Harbour in May.

In January Zebedee Pua, 15, was swept out to sea and drowned at O'Neills Bay after trying to save a young girl, and in October last year three Auckland men drowned after being swept out to sea at Port Waikato during a Labour Day fishing trip.

Pope said New Zealand waters are different from those in the Pacific Islands and require closer attention.

“Coming from the islands people are familiar and comfortable with the sea,” he said.

“But here the context is different. They have to be aware of the cold weather, the currents and the forecasts - it is very different.”

Failing to prepare for changeable conditions is where some have come unstuck in the past.

“They have to train to know those things, to help them survive,” Pope said.

“They have to be well prepared before going out fishing...wear a life jacket, check the forecast and know the contact number to call if you get in trouble.”

Running courses where Pacific people access the water – like from Mangere Bridge – also helps.

“Bringing it here makes it easier for them to participate.”

Pope said the message is getting through and members of his church are making the changes required to become safe fishermen.

“Our church loves fishing, especially the men. We’re trying to solve the issue of the drowning of Pacific Islanders.”

A free boat safety check will be held on Saturday from 7am to 1pm at the Mangere Bridge Reserve, along with fishing demonstrations and workshops and lifejacket and fishing giveaways.

Boaties unprepared for worst

-15 November 2012, Maritime New Zealand

Two potentially disastrous boating incidents within a week highlight the need for recreational boaties to be well prepared before heading out on the water this summer.

Last Friday (9 November), two men suffered hypothermia after spending 12 hours drifting to shore on their upturned 4 metre boat after it capsized 5km off Mokau, in Taranaki.

The pair were wearing lifejackets but had no means of calling for help. The owner, who wishes to remain anonymous, says he will not go to sea again without an EPIRB (emergency position-indicating radio beacon) with GPS. A waterproof marine VHF radio is also on his shopping list.

Yesterday (14 November) the four occupants of 4.7 metre runabout that broke down off the northern end of Kapiti Island had only a cellphone to contact the Police with. They called for help at 5.40pm.

Their auxiliary engine was working only intermittently, with the vessel reaching Waikanae at around 6.30pm.

Again, once the main engine failed, all four donned lifejackets.

Maritime New Zealand (MNZ) Maritime Safety Inspector Alistair Thomson said the incidents highlighted simple safety guidelines that should be followed.

“It is gratifying that in both these cases the people were wearing lifejackets but all boaties should also carry at least two reliable means of calling for help. A distress beacon and a handheld, marine VHF radio are the most reliable forms of emergency communication, and flares can also be very useful if you need help,” he said.

“Cellphones shouldn’t be relied on as the main means of communication, because of issues with coverage on seas, rivers and lakes. They are useful as a backup but become useless when wet. Most boaties take their cellphones with them, but they should take the extra step of putting them in a ziplock bag.”

Boats that have been left unused for a sustained length of time also need to be checked carefully before use, Mr Thomson said.

“If a boat has not been used for some time, old fuel should be replaced – and there should be enough fuel to cover unforeseen occurrences. It pays to plan to use a third of your fuel for the trip out, a third for the return trip, and have a third in reserve,” he said.

The law requires boaties to carry enough lifejackets, of the correct size and type, for everyone on board. MNZ recommends that lifejackets are worn at all times as there is often not enough time to put them on when trouble hits.

Lifejackets must be worn in situations where there is heightened risk, such as when crossing a bar or in rough weather, and children and non-swimmers should wear them at all times in vessels under 6 metres.”

Equipment on board should also be checked regularly, including the condition of lifejackets. Inflatable lifejackets may need to be serviced.

“Before deciding to head out, boaties should also check weather forecasts and tell someone how long they plan to be away. Out on the water they should avoid alcohol.”

Coastguard South Taranaki wins National Coastguard “Rescue of the Year”

- 25 September 2012, Coastguard Central

A courageous rescue effort from Coastguard South Taranaki has resulted in the Unit receiving the “Rescue of the Year” Award at the National Coastguard Gala Awards Evening, held in Rotorua last weekend.

Coastguard South Taranaki received one of the five annual national awards given to individuals and Coastguard units whose contributions to the organisation were recognised, as the Coastguard community came together to honour the year’s achievements.

On the evening of 22 February volunteers from Coastguard South Taranaki were paged about an incident off the coast.

Three fishermen were stuck in rough conditions with no lights, VHF radio, GPS or indeed lifejackets. Despite 2 – 3 metre swells, the South Taranaki Unit swung into action with an integrated rescue campaign involving both land and sea crew which seasoned team members described as the most challenging rescue operation they had faced in at least 15 years.

Thanks to the expertise and training of Coastguard’s volunteers three fishermen were rescued from the atrocious conditions in a flawless operation. The rescue operation was a true reflection of the high standard of their training and solid teamwork.

Patrick Holmes Coastguard CEO says “Teamwork is what Coastguard is all about and this was demonstrated admirably by the incredible rescue efforts of the Taranaki land and sea crew in what must have been an incredibly challenging situation. It is particularly impressive to see two Taranaki Units go home with national awards.”



Appendices



Coastguard New Zealand information

From Coastguard New Zealand's 2012 Annual Report

Annual Statistics Year ended June 2012

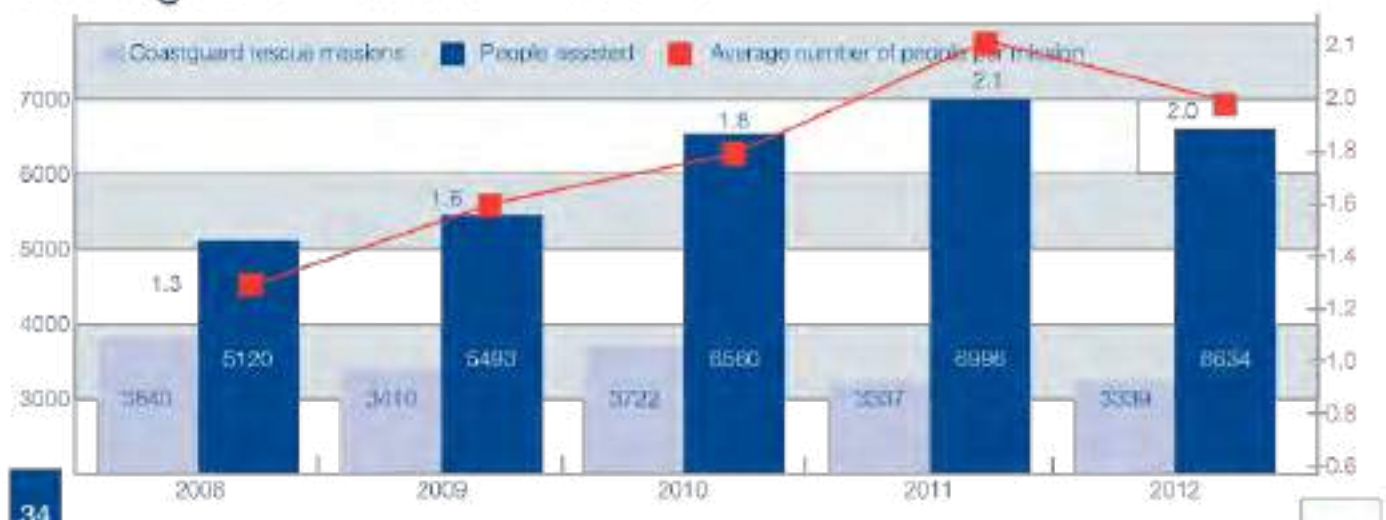
	July 2011 to June 2012	July 2010 to June 2011
Number of radio calls	312,547	316,811
Number of volunteers	2,398	2,224
Number of volunteer hours *	363,108	348,356
Radio watch	136,000	118,231
Training	81,224	89,683
Administration	59,018	58,143
Coastguard missions	19,856	28,935
Maintenance	19,656	20,277
Fundraising	18,981	18,611
Prevention	17,411	6,101
Public education	10,861	8,395
Total number of Coastguard missions	3,339	3,337
Total number of people assisted on Coastguard missions	6,634	6,896

Total SAROPS	462	387
CATEGORY 1	443	359
CATEGORY 2	19	28
Northern Region	210	127
Eastern Region	96	101
Central Region	41	50
Southern Region	113	109
Coastguard Volunteers involved in SAROPS	3,406	2,921
Coastguard Volunteer Hours on SAROPS	9,702	7,642
Lives Saved	50	50
Lives Rescued	158	148
Lives Assisted	368	283
Number Perished	45	30
Not Located	61	47
Needing Help	682	558

* The hours spent on SAROPS 1 and 2 are in addition to these hours.

- Category 1 Search and Rescue operation where Police is the lead agency
- Category 2 Search and Rescue operation where Rescue Coordination Centre (RCCNZ) is the lead agency
- Lives Saved Where SAR agencies had not intervened, life would definitely have been lost
- Lives Rescued Where SAR agencies locate and rescue a person or people at risk and return them to a safe location
- Lives Assisted Where SAR agencies aid a person or people at low risk, but who, if left, would be at risk
- Number Perished Where SAR agencies respond to an incident and locate a person or people who have perished
- Not Located Where SAR agencies respond to an incident and the person's are not located or crews are afloat down
- Needing Help Number of Persons needing Coastguard Help

Coastguard Rescue Missions



Calls for Assistance

year ended 30 June 2012



Population of New Zealand: 4.4 million.

Coastguard New Zealand Financial Statements 2012

Statement of Consolidated Financial Performance as of 30 June 2012

INCOME		\$ 2011	\$ 2012
Contribution from the New Zealand Government towards Search and Rescue Costs	(Note 13)	2,219,000	1,874,000
Donations		10,603	22,760
Examination Fees		526,843	487,260
Grants New Zealand Lottery Grants Board			
- Unit Grants		1,022,800	1,024,000
- Unit Operational Costs		182,676	194,766
- Unit and Region Search and Rescue Training		-	225,960
- CNZ Administration		257,500	270,000
Total Grants New Zealand Lottery Grants Board		1,462,976	1,714,726
Other Grants			
- New Zealand Police		50,000	50,000
- Water Safety New Zealand Inc.	(Note 4)	380,000	399,100
- Other Grants	(Note 11)	43,191	14,686
Interest Received		94,604	89,756
Other Income		655,980	791,149
Sales of Publications		342,731	257,785
Sponsorship		49,471	52,490
Total Income		5,835,399	5,753,712
Less Expenses			
Annual General Meeting Expenses		93,372	81,994
Audit Fee		18,850	17,612
Bank and Eftpos Charges		10,287	10,805
Depreciation		71,403	86,178
Expenditure - Other Grants		43,191	14,686
General Expenses		18,228	27,488
Insurance and Accident Compensation		8,511	13,461
Grants paid to Units and Regions	(Note 12, 13)	3,242,466	3,182,039
Water Safety New Zealand Project Expenditure	(Note 4)	404,675	474,377
Other Expenses		1,246,407	1,221,090
Printing, Stationery and Postage		87,805	73,055
Marketing and Advertising		200,405	255,689
Rent of Office Premises		115,055	115,785
Telecommunications		51,430	49,731
Travelling Expenses		123,480	126,145
Total Expenses		5,735,565	5,750,135
Net Trading Surplus		99,834	3,577
Other Income			
Donations / Grants for the Acquisition of Rescue Vessels and Equipment	(Note 10)	96,973	44,009
Net Revenue from the Coastguard SAR Certificate Course	(Note 9)	14,000	-
Total Other Income		110,973	44,009
Other Costs			
Asset Maintenance Costs	(Note 10)	133,978	123,039
SAR Training Costs	(Note 9)	31,102	86,190
Total Other Costs		165,080	209,229
Total Operating Surplus / (Deficit) for the year		\$45,727	\$(161,643)

Statement of Consolidated Financial Position as of 30 June 2012

		\$ 2011	\$ 2012
Current Assets			
Cash on Hand		200	200
Cash at Bank - Westpac Banking Corporation Limited	(Note 5)	1,523,009	740,934
Cash at Bank - ASB Bank Limited	(Note 5)	893,235	1,280,981
Accounts Receivable		326,760	142,775
Prepayments		19,047	46,555
Stock on Hand		59,829	67,375
Total Current Assets		2,822,080	2,278,820
Current Liabilities			
Accounts Payable		1,092,033	723,996
Goods and Services Tax		103,464	74,589
LGB Grants not yet spent	(Note 3)	7,235	-
Other Grants not yet spent		81,469	50,655
Coastguard Regions	(Note 12)	458,318	441,925
Total Current Liabilities		1,742,519	1,291,165
Working Capital		1,079,561	987,655
Non Current Assets			
Fixed Assets	(Note 6)	990,529	920,793
Total Non Current Assets		990,529	920,793
Net Assets		\$2,070,090	\$1,908,448
Represented By:			
Accumulated Funds			
Accumulated Funds Brought Forward		2,024,363	2,070,090
Plus:			
Total Surplus / (Deficit) for the Year		45,727	(161,642)
Total Accumulated Funds		\$2,070,090	\$1,908,448
Comprised of:			
General Reserves		1,851,576	1,855,153
Asset Maintenance Reserve	(Note 10)	132,324	53,295
SAR Training Reserve	(Note 9)	86,190	-
		\$2,070,090	\$1,908,448

Coastguard New Zealand Financial Statements 2012

Statement of Consolidated Financial Performance as of 30 June 2012

	\$ 2011	\$ 2012
Equity at the beginning of the year	2,024,363	2,070,090
Net Trading Surplus for the year	99,834	3,577
Specific Donations	96,973	44,009
SAR Certificate Course Revenue	14,000	-
Asset Maintenance Costs	(133,978)	(123,038)
SAR Training Costs	(31,102)	(86,190)
Total Recognised Revenue and Expenses for the year	\$45,727	\$(161,642)
Equity at the end of the year	\$2,070,090	\$1,908,448

2. Nature of Business

Royal New Zealand Coastguard Inc. Group provides national and community based small boat safety training courses and is the national body for groups who provide search and rescue services on the water. The nature of Royal New Zealand Coastguard Inc's business has not changed during the year under review.

6. Fixed Assets

2012	Cost	Accumulated Depreciation	Book Value
Rescue Vessels and Equipment	1,563,859	1,038,032	525,827
Vehicles and Promotional Caravan	150,613	122,987	27,626
Office Equipment, Furniture and Leasehold Improvements	936,638	606,979	329,659
Coastguard SAR Certificate Course Development Costs	127,957	90,276	37,681
	\$2,779,067	\$1,858,274	\$920,793

2011	Cost	Accumulated Depreciation	Book Value
Rescue Vessels and Equipment	1,539,850	953,679	586,171
Vehicles and Promotional Caravan	121,985	121,985	-
Office Equipment, Furniture and Leasehold Improvements	869,387	515,506	353,881
Coastguard SAR Certificate Course Development Costs	127,957	77,480	50,477
	\$2,659,179	\$1,668,650	\$990,529

Depreciation

Depreciation for the year is as follows:

	\$ 2011	\$ 2012
Rescue Vessels and Equipment	84,642	84,353
Vehicles and Promotional Caravan	775	1,002
Office Equipment, Furniture and Leasehold Improvements	77,132	91,681
Coastguard SAR Certificate Course Development Costs	12,796	12,796
	\$175,345	\$189,832

13. Contribution towards Search and Rescue Costs

The funding received from the New Zealand Government during the year was expended as follows:

	\$ 2011	\$ 2012
Rescue Vessel Replacement	826,525	576,171
SAR Training	361,674	183,093
Unit Repairs and Maintenance	255,265	146,701
Regional Administration Grants	146,250	361,000
SAR Equipment	161,145	151,209
Vessel and Aircraft Tracking Costs	94,044	106,904
Rescue Vessel Engine Replacements	42,533	56,961
Contribution to CNZ Operational Support	262,010	223,800
Contribution to CNZ Operational Support Travel	21,988	15,418
Coastguard Database and Incident Reporting	33,084	35,572
Vessel Standardisation Program	-	2,341
SLA Meeting Costs	12,732	13,330
Additional Audit Fees	1,750	1,500
	\$2,219,000	\$1,874,000

With the exception of Contribution to CNZ Operational Support Salaries, this expenditure is included in Grants paid to Units and Regions in the Statement of Consolidated Financial Performance.

Coastguard NZ Sponsors and Supporters



Saving lives at sea is difficult – without your help it's impossible

Thank you to all of the businesses and trusts that support Coastguard Units and Regions throughout New Zealand. We simply couldn't do what we do without you.

Our Search and Rescue Partners



Champions Trophy
Case Competition 2013

Advertising for Coastguard New Zealand's Mayday Appeal:



Other charitable organisations

Charities Commission Survey 2011 – A Snapshot of New Zealand’s Charitable Sector

Ten largest charities by donations received:

Name	donations/koha \$
National Assistance Fund	31,278,134
The Church of Jesus Christ of Latter-Day Saints Trust Board	30,637,000
Harbourside Church Property Trust	15,928,758
New Zealand Red Cross Incorporated	12,967,000
The Evangelical Alliance Relief Fund	10,962,522
The Carisbrook Stadium Charitable Trust	10,203,250
St John Of God Health Care Incorporated	10,202,176
C.L.C Auckland Trust Board	8,893,185
Hugh Green Charitable Trust Board	8,547,000
The Research Trust of Victoria University Of Wellington	8,290,000
Grand Total	147,909,025

Total donations by the ten largest charities registered as a group:

Name	City	Total
The Salvation Army New Zealand Group	Wellington	14,162,000
Roman Catholic Diocese of Auckland Group	Auckland	13,622,000
Seventh Day Adventist Church in New Zealand 2	Manukau	11,472,000
Seventh Day Adventist Church in New Zealand 1	NSW	7,682,000
The Todd Foundation	Wellington	3,745,000
Roman Catholic Bishop Of The Diocese Of Hamilton Group	Hamilton	3,383,000
Sisters of Mercy Ministries New Zealand	Auckland	3,111,487
Philips Search & Rescue Group	Taupo	2,855,000
The RSCJ Trust	Auckland	1,584,000
Auckland Grammar School Combined Trusts	Auckland	1,524,878
Grand Total		63,141,635

How much money are charities receiving?

*Sector income from:	Government grants \$	Donations \$	Service provision \$	Total gross income \$
2009 • 12,161 Annual Returns • 23,783 registered charities	1.8 billion	0.6 billion	2.1 billion	6.1 billion
2011 • 16,478 Annual Returns • 25,562 registered charities	4.8 billion	1.05 billion	5.5 billion	14.2 billion

* Note 1: these figures do not show a break-down of income from other sources such as bequests, NZ dividends, or membership fees.

*Note 2: not all charities correctly provided financial information in their Annual Return form. Some understated their income by incorrectly showing (for example) \$326,000 as only \$326. Where possible, the Commission has asked charities to make corrections, but the accuracy of the information above reflects the information that charities have provided.

Prominent New Zealand charities

St John



St John

first to care

St John is a charity that provides ambulance services throughout the country as well as first aid training, event medical services, medical defibrillators, first aid supplies, medical alarms and a range of community programmes.

Its nationwide services cost over NZ\$220 million annually to provide; just under 80% of direct operating costs are covered by contracts with the Ministry of Health, ACC, and District Health Boards. The rest is sourced from payment of “part charges” (ie, paid by members of the public who use ambulance services), community donations, fundraising, and revenue from commercial activities.

St John has a prominent partnership with ASB, which has enabled better support for St John’s services and for increasing the scale of its programmes (e.g. CPR training). For its involvement, ASB was able to strengthen its ties with communities, give its staff an opportunity to volunteer for St John, and have its logo displayed on ambulances.

“In New Zealand, the St John Ambulance Service treats and transports approximately 400,000 people every year. We have more than 600 operational vehicles and 205 ambulance stations. On average, our vehicles travel more than 17 million kilometres annually to attend around 330,000 emergency incidents. Approximately 90% of New Zealand’s population is within reach of our ambulance service.” – St John website

Royal New Zealand Society for the Prevention of Cruelty to Animals (RNZSPCA)



The RNZSPCA is a national voluntary organisation that provides 24-hour assistance to animals and animal owners through its 47 SPCA Centres throughout New Zealand. In addition to core animal rescue and shelter operations, it also provides a “Blue Tick” free-range egg and pork accreditation scheme and undertakes educational campaigns to improve animal welfare.

Similar to Coastguard New Zealand, each of the 47 SPCA centres is responsible for administering its own affairs and managing its finances. The RNZSPCA national office coordinates the activities of the local centres as well as national fundraising appeals and the national Blue Tick accreditation scheme.

As a charity, the RNZSPCA receives only 1% of its total funding from the government and relies primarily on the community for financial support. It received a total of NZ\$3.7 million in 2011, of which NZ\$ 1.47 million was derived from fundraising and sponsorship.

The RNZSPCA has recently been undertaking an empathy campaign titled “One of the family” and has partnered with Women’s Refuge to conduct research into links between animal cruelty and domestic violence.

Surf Life Saving New Zealand (SLSNZ)



SLSNZ is the national association representing 73 individual Surf Life Saving Clubs in New Zealand. The organisation’s total annual income is approximately NZ\$13 million, out of which NZ\$6 million is sourced from sponsorship, gaming machine grants and the New Zealand Lottery Grants Board.

The purpose of the organisation is the prevention of drowning and injury in the marine environment through provision of lifeguarding, water safety, and education services. This is mainly achieved by providing patrols and marking safe swimming areas with red and yellow flags (between which swimmers are recommended to stay) at beaches.

Surf Lifeguards are trained to handle most situations at their assigned beaches and especially proficient at performing rescues in the surf and coastal rock formations.

SLSNZ does not provide a 24-hour service, however it does maintain after-hours emergency response capability with its partners at the Police, Coastguard New Zealand, and the Rescue Helicopter Services.

Champions Trophy
Case Competition 2013

Similar organisation – The Royal National Lifeboat Institution (UK)



“The RNLI is the charity that saves lives at sea.”

As one of the most highly regarded charities in the United Kingdom, RNLI is substantially similar to Coastguard New Zealand in terms of the scope of search and rescue operations undertaken. The RNLI provides a 24-hour maritime search and rescue service on an on-call basis. In addition, the organisation runs the RNLI College, a lifeguard service, an Inshore Lifeboat Centre to construct its own boats, a museum, and a heritage trust to preserve the history of the RNLI.

With a fleet of 330 vessels as well as a relief fleet and several aircraft, the RNLI is staffed by over 31,500 volunteers. Like their New Zealand counterparts, RNLI volunteers give up a substantial amount of personal time

to undergo training and undertake rescue missions at sea in dangerous conditions.

The RNLI has a very high public profile in the UK and is known as a charitable organisation by most members of the public. Its patron is Queen Elizabeth II, and its president is the Duke of Kent. In addition to this, the RNLI has attracted a number of famous supporters, including Bear Grylls (the intrepid adventurer from the TV show *Man vs Wild*), Rupert Grint (from the *Harry Potter* films), and Daniel Craig (star of two *James Bond* films). The organisation's status as a well-established and prestigious charity has allowed it to provide its services (which cost £385,000 per day to run) using funding from the public alone.

From the RNLI's 2011 Annual Report:

PURPOSE

The RNLI saves lives at sea.

VISION

To end preventable loss of life at sea.

VALUES

Our work is based on and driven by our values.

Our volunteers and staff strive for excellence and are...

Selfless: willing to put the requirements of others before our own and the needs of the team before the individual, able to see the bigger picture and act in the best interests of the RNLI, and to be inclusive and respectful of others. Prepared to share our expertise with organisations that share our aims.

Dependable: always available, committed to doing our part in saving lives with professionalism and expertise, continuously developing and improving. Working in and for the community and delivering on our promises.

Trustworthy: responsible, accountable and efficient in the use of the donations entrusted to us by our supporters, managing our affairs with transparency, integrity and impartiality.

Courageous: prepared to achieve our aims in changing and challenging environments. We are innovative, adaptable and determined in our mission to save more lives at sea.

THINGS WE WILL NOT CHANGE

Volunteer ethos

Our lifesaving service is provided wherever possible by volunteers, generously supported by voluntary donations and legacies.

Independent of Government

We do not seek funding from central Government.

Major charity, community based

We operate through local teams, centrally directed and resourced.

Maritime

Our exceptional expertise is in the preservation of life at sea and on the water through prevention and rescue, together with the delivery of coordinated safety, research and education programmes.

Heritage

We are proud of our history and tradition and of the RNLI's achievement of saving lives over nearly 2 centuries.

PRINCIPAL ACTIVITIES

The RNLI operates 234 lifeboat stations around the coasts of the UK and the RoI, served largely by volunteers (branch officials, coxswains/helms, crew, shore crew and supporters). The RNLI also provides lifeguards to 29 local authorities and 6 other landowners providing access to the public, with 163 beach lifeguard units in England, Wales, Northern Ireland and Jersey (2010: 27 local authorities, 4 other landowners, 152 units).

The RNLI operates throughout the UK and the RoI. Lifesaving operations are headquartered in Poole and based on six operating divisions (numbers of lifeboat stations in brackets): the North (33), East (42), South (35) and West (36) of England; Scotland (45) and Ireland (43) – Northern Ireland (9) and the Republic of Ireland (34). Fundraising is also managed centrally from the RNLI's Headquarters in Poole, supported by community fundraising teams strategically located across England, Wales, Scotland, Northern Ireland and the Republic of Ireland.

VOLUNTEER ETHOS

The charity relies on some 4,600 volunteer lifeboat crew and 3,000 volunteer shore crew for the delivery of its lifesaving service. Its fundraising activities are also carried out by a network of a further 24,000 or so registered volunteers, together with the Governors, members, donors and other supporters backed up by full-time staff.



INCOME

Legacies	61%
Raised voluntary income	32%
Net investment income	2%
Net merchandising and other trading	3%
Lifeguarding and other income	2%

From Maritime New Zealand's annual report:

Overview of government transport sector

Maritime New Zealand is one of the Crown entities in the government transport sector.

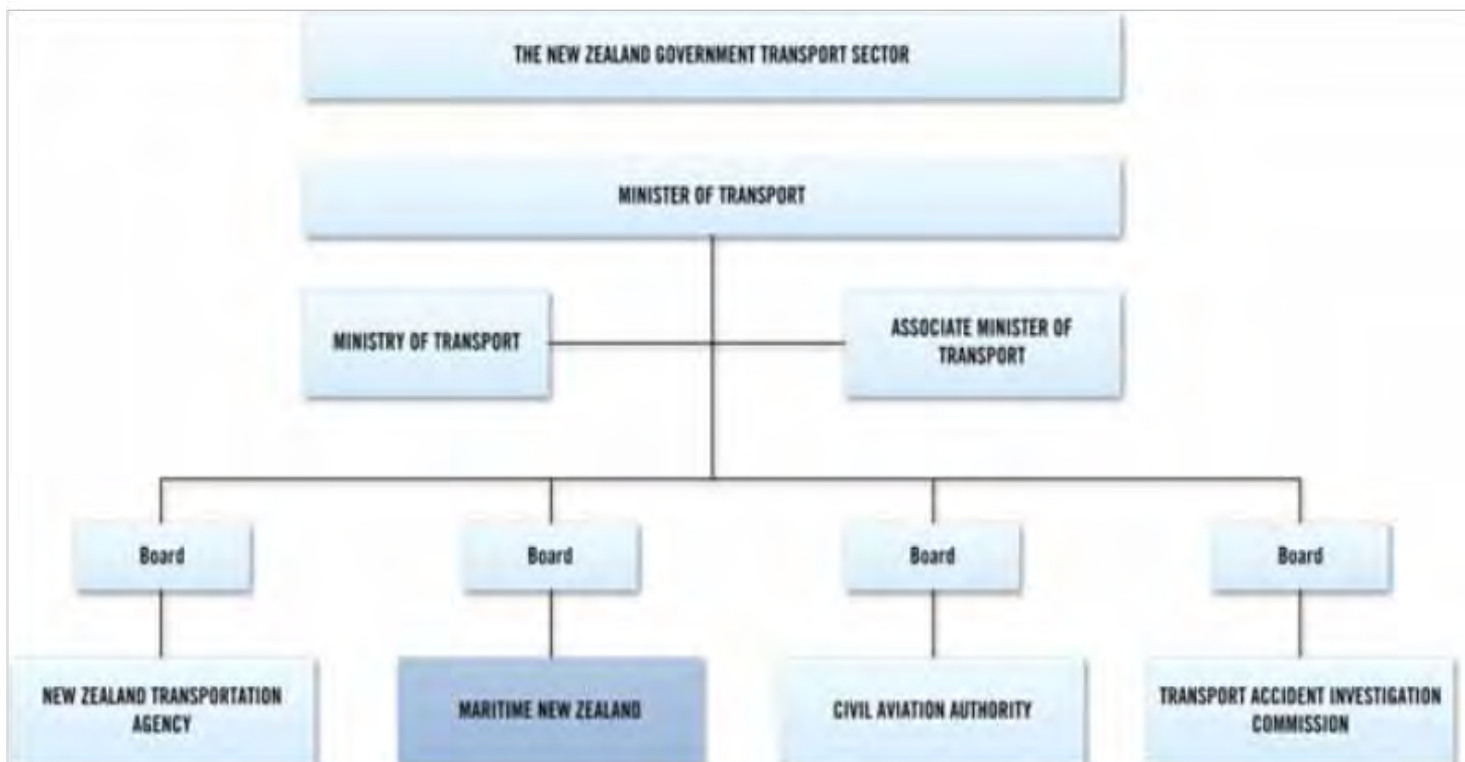
Maritime New Zealand was established under the Crown Entities Act 2004. Governance is exercised by a five-member board (the Authority) appointed by the Minister of Transport.

Maritime New Zealand's primary functions and duties are outlined in the Maritime Transport Act 1994.

These are summarised in the key objective in Section 430 of the Act:

To undertake its safety, security, marine protection and other functions in a way that contributes to the aim of achieving an integrated, safe, responsive and sustainable transport system.

Details of Maritime New Zealand's statutory functions, including the independent statutory functions of the Director, are contained in Appendix 3.



Commercial and recreational liaison

Communications and research change lifejacket wearing behaviour



The 2011/12 clown television advertising campaign was very successful in reaching recreational boaties.

Failure to wear lifejackets is the number one cause of fatalities in recreational boating statistics.

Maritime New Zealand commissioned research to understand more about boaties' attitudes to, and behaviour around, wearing lifejackets, particularly looking at why some wear lifejackets and some don't.

This research was used to create the "Don't be a clown. Wear a lifejacket" summer advertising campaign including television, online and print advertisements. This is part of a long-term behavioural change strategy being developed by Maritime New Zealand to encourage lifejacket wearing.

Collaborative effort by sector

The campaign was supported by the activities of the National Pleasure Boat Safety Forum, which represents a diverse group, including Coastguard, Water Safety New Zealand and government agencies, such as Maritime New Zealand, the Ministry of Transport and ACC.

The Recreational and Liaison team play an important educational role by working with the Forum and other organisations interested in reducing injury and harm in the recreational boating sector.

Boat ramp survey supports research

Maritime New Zealand also conducted a recreational boat ramp survey covering 16 regional council areas in 2012.

The survey checked the behavior of over 2000 boaties when launching their boats.

While there was an increase in lifejackets carried, there was a reduction in the number of boaties carrying emergency communications equipment.

Survey results include:

- 94 percent of vessels had all (38 percent) or some (56 percent) of people on board wearing lifejackets, compared with 73 percent of vessels in 2011
- 99 percent of vessels carried enough lifejackets or personal flotation devices for all on board (93 percent in 2011)
- 70 percent of vessels carried two or more means of communicating distress (87 percent in 2011)
- 79 percent of vessel skippers checked the weather before departure (86 percent in 2011).

The survey is an annual collaborative effort between volunteer safe boating advisors, Coastguard volunteers, Search and Rescue, and regional council staff.



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