



Coastguard Northern Region

2013 Annual Report

THE CHARITY SAVING LIVES AT SEA



Who we are

All around New Zealand, 24 hours a day and 365 days a year Coastguard is there for our communities as the charity saving lives at sea.

Our vision is “Everybody safe on the water. We will save lives through rescue, education, communication and example”.

In everything we say and do, we will:

- » Recognise the courage, commitment and humanity of our crews
- » Strive to maintain our volunteer ethos
- » Foster a culture of excellence and continuous improvement at every level of the organisation
- » Continue to innovate – to push the boundaries of our organisation and find smarter ways to achieve our goals
- » Ensure thorough and robust consultation throughout our organisation's development

Our volunteers are the heart and spirit of our organisation, last year their commitment saw:

131,052 hours were dedicated to saving lives

124,516 radio calls answered

2,334 calls for assistance

4,865 people brought home to safety



It's about saving lives

ROLY LINSTROM | PRESIDENT



It is indeed a privilege to present you with my second report as President of Coastguard Northern Region. There can be no doubt that this has been a very successful year and I believe that the Region, now in its tenth year since regionalisation, has truly come of age.

We now understand our model of financial sustainability well and with the valued and continuing support of our broad-based range of regional funders, together with the substantial income generated from our membership base, we have the confidence and the ability to forecast and plan into the future. With continued financial prudence amply demonstrated this year, we will continue to improve our services and build harmonious working relationships with our units and their volunteers as we strive to achieve our promise to them that "we are a region right to the boundaries" which means that all are treated equally. In return, we have the expectation that all will meet the standards and service in their community that Coastguard promises to deliver nationally.

It's about saving lives and this past year our people have continued to deliver to the communities we serve. Our 1,030 volunteers have responded to 2,051 incidents with our Operations Centre answering 124,516 radio calls and our communications network and safety information helping thousands more enjoy the water safely. Our volunteers have responded to calls for help no matter what hour of day or night in no matter what kind of weather. We were there when our communities needed us the most and we will continue to be there into the future. This demonstrated ability to respond is a remarkable result and one we should all be proud of.

While we contemplate this successful year, we need to be mindful that circumstances can change very quickly for us given the diversity of our key activities and the costs associated with new technology and supply which keep increasing annually; and this will continue to impact upon us.

We appreciate that there has been a significant turnaround this year, but in my opinion, this is the type of result that a forward thinking organisation should have as its aim. There will be significant demand on us over the next 5 to 10 year period to



We were there when our communities needed us the most and we will continue to be there into the future



fund a wide range of assets throughout the region and we must act early, be prepared and have the ability to shoulder our share of the load. This after all, is sensible fiscal responsibility.

Of the four individual strands of our organisation, Membership, Communications, Education and Search and Rescue Operations, three have shown significant gains this year with education sharing what appears to be a national trend being very slightly reduced as to numbers trained, but overall extremely positive.

We continue to build on our relationships with Coastguard's regions as we all work hard towards the delivery of Coastguard's defined mission of 'saving lives at sea'. Our ability to collaborate with Eastern Region has seen us work closely together with improved efficiencies and coverage as a result of common platforms with initiatives around training and communications infrastructure.

I would like to offer my thanks to my fellow board members; this has been a very enjoyable year for me. To those members standing down I say thank you for your contribution and for a job well done.

I also wish to make a special mention of and thank you to David Tommas, our Chief Executive, who continues to do an outstanding job leading the Region and who must take a great deal of credit for our results. Together with his team in the regional office he has worked at a furious pace to ensure that our people have what they need to succeed, putting in long hours and travelling the distances required to meet with our volunteers all over the region. David I appreciate it. I am continually amazed at the workload that our regional staff contend with, without exception they do more and are asked to do

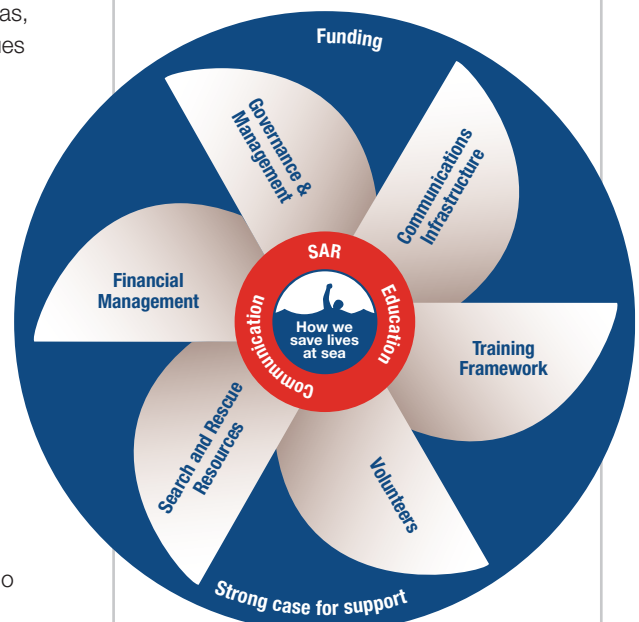
more than is almost reasonable. Thank you all.

Finally, to each and every volunteer, whether you answer radios or telephones, coordinate our assets during an incident, fly our aircraft, man our vessels, act as an officer for a unit or any one of the myriad of tasks we perform on a daily basis, and I include all those families of our volunteers, I give you my personal thanks for a job well done and look forward to working with you in the exciting year ahead.

My regards to you all,

Roly Linstrom
President

How we save lives at sea



Staff

Regional Management and Support

Chief Executive Officer
David Tommas

Unit Support and Operations Manager (North)
Graham Petrie

Unit Support and Operations Manager (South)
Ray Burge

IT & Infrastructure Manager
Philip Kavermann

Marketing & Funding Manager
Georgie Smith

Marketing Coordinator
Sarah Granville

Membership and Marketing Administrator
Lorraine Moon

Business Support Manager
Jo Whapham

Administration Volunteer
Jan Jupp

Education

Education Manager
Darren Arthur

Education Administrator
Liz Norquay

SAR Training Coordinator
Helen Rayner

Regional Operations Centre

Duty Officers
Carolyn Caukwell
Mark Leever
Peter Seymour-Nash
Tony Winyard

Radio Operators
Phil Gilgen
Nikki Latham
Melissa Ousey
Rochelle Thomson

Patron

Alan Haddock, QSO

Board

President

Roly Linstrom

Vice President

Roger Farley

Immediate Past President

Joe Davis

Board Members

Matthew Rea-Rankin

Ronald Lucca

Chris Laufale

Todd Forsyth

Operations Committee Appointees

Ian Gibson

Dean Lawrence

Maureen Calkin

Co-Opted Member

John Macaulay

Honorary Life Members

Archbold, Brooke
Archer, K W
Atterton, J.R
Blank, Roy
Cameron, S A (Susan)
Cowan, John
Cranfield, Laurie J
Foster, Jody
Haddock, A R D
Hamling, Peter
Irwin, Basil
Kelly, Trevor D
Knox, R J
Lawrence, Dean
Litten, Brian
MacPherson, Jim
McMurdo, Tom

McPherson, R K
Osmond, Rod
O'Sullivan, Kevin
Reiher, Graham
Reynolds, Maurice
Roberts, N B
Rounthwaite, Mike
Ryan, Laurence
Saul, K M
Sheppard, Harvey
Smith, Bruce
Talboys, Jim
Taylor, Marie
Thompson, C B
Udy, Richard
Whittle, Tom
Wickes, Roger

Professional Services

Banker

ASB Bank, Eastridge

Accountants

Bellingham Wallace

Auditor

Hayes Knight Audit NZ

Insurance

Baileys Insurance Brokers Limited

Solicitor

Simpson Grierson



Delivering an outstanding result

DAVID TOMMAS | CHIEF EXECUTIVE OFFICER



It is immensely pleasing to be reporting to our key stakeholders this year and confirm that not only has Coastguard Northern Region (CNR) delivered an outstanding result but has also executed the projects that we outlined to you last year.

Having spent a fair bit of time travelling throughout the region this year, it is humbling to see that our more than 1,030 hard working volunteers continue to maintain their focus on assisting the thousands of people who enjoy our many waterways around the coast. They are the backbone of our organisation and I am so grateful for their efforts and dedication in the work that they do. I would like to thank each of our volunteers personally, with special thanks to your families and loved ones, for the commitment they together with you, make to our organisation. Together we are delivering outstanding community support via Regional excellence.

The 20 or so staff in the region, together with our education tutors and communications group, who work on behalf of the CNR volunteers, have worked tirelessly to deliver on both our key objectives and produce a record result. I wish to thank each member of my team for their outstanding work and contribution to a result that we are all truly proud of.

As always we continue to do so much with so little. This is no small feat due in part to the way in which we have managed our funding. It is also an important reminder of the crucial role that long term and sustainable funding sources play in a capital intensive organisation such as ours. Our funding streams continue to be robust, in particular our membership numbers continue to go from strength to strength.

Our partnership with the Auckland Regional Amenities Funding Board (ARAFA) continues to be a highlight as the people of Auckland continue to play an important role in our current and future sustainable funding sources. We are indebted to ARAFA and the funds that they provide; these funds are critical to sustaining our units' operational costs, communications, community education and search and rescue (SAR) response within the region. We would like to formally



**Together we are delivering
outstanding community support
via Regional excellence**



acknowledge the people of Auckland on behalf of our organisation.

During the course of the year, two significant projects have been key to the future success of the organisation. The first is the re-development of the Regional Operations Centre based in Auckland and while funding has been a challenge, I am delighted to announce that this project is now complete. This important project will deliver expanded communications capability across the region, provide a digital platform that is more reliable, future proofed and provides a conduit to integrating our communications platform with other regions.

The migration and implementation of a standalone IT network capable of hosting our new Customer Relationship Management (CRM) database for the region has also been delivered. This database brings together three distinct operational segments; Membership, Education and SAR Operations into one database that will allow us to meet the needs of our stakeholders in a seamless and effective way.

The delivery of these projects is a real accomplishment and something to be proud of as they create efficiencies across the organisation. We take this opportunity to thank our funding partners for working alongside us to make these projects a reality.

Capital projects, in particular vessel refurbishment and communications infrastructure, continue to be a priority for us as they represent an important commitment that the Region makes to units and the communities that we serve. I take this opportunity to compliment units around the region, and thank them for their endeavor and commitment in ensuring that we are able to provide a modern and reliable rescue service and keep our volunteers safe as they risk their lives to save others. Our thanks must also go to the ASB Community Trust for the support they have given us in ensuring

that we have the capital required to support these capital projects for units.

An organisation such as ours could not survive without a strong membership base. Our members play a huge part in our success and we remain grateful for their support. This year has seen our membership numbers swell past the 18,500 mark. This feat would not be possible without the help of all those who support our membership programme, in particular our special thanks to Hutchwilco; whose support and partnership is instrumental in our success.

It has been a privilege to work on behalf of CNR and reflecting on a hugely successful year; I would like to take this opportunity to thank all of those involved in the organisation. In particular I would like to thank the CNR Board and our President, Roly Linstrom. Roly works tirelessly on behalf of the organisation. I have relied heavily on his wise counsel and wish to thank him personally for his ongoing support.

No doubt next year will continue to be as challenging as the past, however we should all look forward to 2014 in the knowledge that the Region is in great shape and we will be better equipped than ever to deal with the challenges faced by Coastguard's largest regional organisation, one that will see us continue to deliver a broad strategic offering comprising education, communication, marketing, funding and search and rescue assistance.

Our journey is about ensuring yours is safe on the water.

David Tommas
Chief Executive Officer

Providing vital assistance...

This year sees the prevailing trend of being asked to further stretch our limited resources continue with Coastguard Northern Region (CNR) volunteers responding to a record number of calls for assistance resulting in 4,865 people being brought home to safety. In doing so our volunteers donated an impressive 131,052 hours to our cause, delivering on our mission of saving lives at sea.

Included among those members of the boating public brought home to safety are some of our 18,500 supporter members who enjoy many benefits from being part of our organisation including free vessel assists should they need help as a result of vessel breakdowns or other non-urgent, but certainly inconvenient problems while at sea. Our members know that wherever they are around our coastline, assistance is only a short VHF radio call away and the positive feedback we receive from both our members and the boating public regarding our service and the professionalism of our volunteers is always a highlight for us.

It is pleasing to see that our members are often the ones setting a good example on the water, yet one of the more frustrating challenges we face right across the region is the continued failure of certain members of the boating public to heed basic boating safety messages and take adequate precautions when out enjoying our pristine coastline. Taking some basic steps such as checking weather forecasts and avoiding alcohol while on the water, taking and wearing lifejackets, and carrying appropriate life-saving and communications equipment would not only reduce the number of instances that our volunteers are asked to go to the

public's aid, but would significantly reduce the amount of resource required to bring them home safely. Something as simple as being able to contact Coastguard on VHF radio with an accurate location has the potential to overwhelmingly reduce the number or type of assets required in a search, reduce search times by hours or even days and increase the chances of survival several times over.

...through careful resource management...

Despite ever-increasing demand on our volunteers, vessels, aircraft and communications infrastructure, our response rate to incidents has been exceptional with more assets being available more of the time. This is a result of improvements in the management of asset availability, continual capability improvement and careful management of asset repairs and maintenance schedules.

Our life saving work depends on being able to task the appropriate asset to the area where and when it is most required. Our vessels and aircraft are highly-specialised search and rescue (SAR) response assets and represent considerable capital investment. With limited funding available and continually increasing demand, careful management of capital resources is vital to the survival of our organisation. This year has seen further progress made in improving the processes that determine how and where we spend our limited capital resources. Greater rigour regarding asset placement, asset scoping and needs-based application of capital funding has resulted in more robust decisions and ultimately better management of capital funds.

In parallel to these improvements our Operations Committees have also implemented other business-process and efficiency initiatives including the roll-out of online file-sharing and

collaboration tools which allow the committees to manage content, share information and access key documents from wherever they are throughout the region. This has increased project collaboration and allowed the committees to continue to drive projects between meetings as well as shortening meeting times and easing the time burden on our already stretched volunteers.

...and delivering quality training

We are proud to report that Maritime New Zealand's Part 35 audit of Coastguard's training framework was completed with outstanding compliance at unit level. While the audit did highlight some small deficiencies these were with the management of records by other areas of the greater organisation. Overall the audit reflected a positive performance by the Region as to the delivery of training and administration of our qualifications framework.

Supporting our volunteer units

Operationally our people face some pretty significant challenges each and every time they are heading out on the water, taking to the skies or providing key communication links to deliver our vital search and rescue service. While improvements in process have allowed better distribution of capital resources and provision of vital vessels, aircraft, equipment and training to where it is needed, there are still areas of our region, that due to geographical location or low population base, face constant challenges to recruit volunteers and access local community funding. As we are continually asked to do more with less, these units will require further Regional support to offset these challenging local conditions and ensure that we are delivering a consistent level of service no matter where it is being delivered.



The number of boats owned by New Zealanders is increasing. In 2006 the estimated total number of boats was 381,181. In 2011 that estimate reached 600,473



From Colmar Brunton Report to Maritime NZ 2011

»» Around the coast, Coastguard volunteers stand ready to assist those in need on the water »»

David Tommas, CEO - Coastguard Northern Region

Our units are at the core of our service delivery and operationally it is of extreme importance that funding for operating expenses is channelled efficiently to units in the most direct way possible. Over the past financial year, units received the highest level of financial support from the Region ever. This trend continues with unit support budgets for the coming year approved to provide the highest ever level of financial support to units to date. Last year, unit support funding from core funding sources assisted units with key operating and administration expenses such as Safe Ship Management fees, medical supplies including oxygen, repairs and maintenance, and vessel mobile phone charges. This support provides a measure of financial security to help safeguard the continued operation of these vital community assets.

Running a volunteer Coastguard unit is a challenge in itself made all the more difficult when faced with increased expectations from employers on employees' time leaving them less to give to organisations such as Coastguard. This is compounded by the additional work expected of our volunteers both in respect to delivery of SAR services but also on compliance, administration and other 'overheads' on volunteer time. This translates into a challenge for regional staff to provide more administration and unit management services such as governmental and constitutional advice, change management, capability development, community engagement and promotion to alleviate some of the pressure and allow our volunteers to focus their time on where it is needed most - saving lives at sea.

Building collaborative relationships

This increase in interaction with units has also resulted in an increase this year of volunteer units being proactive and contacting regional staff at the very outset of various unit projects ranging from capital projects requiring funding through to governmental and constitutional changes. This has allowed staff to positively contribute to these projects from the outset, share information learnt from other units and in many cases save units significant effort and/or cost. This is indicative of a more collaborative approach being taken by units and regional staff to work together towards common goals and should be seen as positive evidence that relationships within the organisation are in good health.

Relationships with our SAR partners including the Rescue Coordination Centre of New Zealand, New Zealand Police, the New Zealand Fire Service, St. Johns Ambulance, Surf Life Saving, rescue helicopter trusts and others has never been better. There is greater collaboration across the sector and recognition from our partners that Coastguard, as the country's primary marine search and rescue organisation, provides a critical and professional service that meets the needs of the New Zealand public. In all cases where we have worked alongside other agencies, CNR personnel have performed to a professional and high level, strengthening our credibility and relationships with both our key strategic SAR partners and the New Zealand public. Ultimately, this translates into smoother interaction with our SAR partners and greater collaboration during SAR incidents with superior outcomes as a result.



Looking forward

- »» Continual improvement on how we distribute and spend our limited financial resources ensuring that funds are going to where they are needed most.
- »» Working with units that face significant financial or recruitment challenges to ensure they are adequately resourced and delivering a level of service consistent with the rest of the region.
- »» Improving operational capability and readiness through unit capability assessment and development of remedial work plans to address any deficiencies discovered.
- »» Continued capital investment in areas with no, or aging assets. Redeployment of existing assets where appropriate to ensure long-term return on the original investment.
- »» Investment in training and training exercises to ensure continual development of personnel and ensure operational readiness in the face of increased demand.
- »» Provide input into public education programmes and campaigns to ensure the correct messages are being delivered based on real-world experience of the key issues.

»» To provide a Coastguard Emergency Response to 90% of recreational boating areas, with rescue assets on scene within 60 minutes of activation available 24 hours per day and 365 days of the year in conditions up to force (7) »»

Coastguard New Zealand 20/20 Vision

Communications Infrastructure

During the course of the last 20 years Coastguard Northern Region (CNR) has established a communications network that encompasses radio links and communication hubs spanning around the region.

CNR's Operations Centre provides vital coordination and information to Coastguard's search and rescue (SAR) resources around our coastline ensuring that Coastguard is there when the New Zealand public need us.

The centre is manned 24 hours a day, 7 days a week by professionally trained staff that operate a rolling shift roster; they are supported in peak times (weekends, summer and public holidays) by a team of 70 volunteers. As you know, our people do everything they can to save a life.

In the last year the Operations Centre received 108,290 trip reports and bar crossings and during peak times, a call is received every 23 seconds. They managed 2,334 calls for assistance from the communities that we serve and were the reason that 4,865 people were brought home to safety. In addition, we provide a range of weather broadcasting services, that provides up to date and continuous weather information for over 600,000 marine users per year.

Starting out at 'The Landing' in Okahu Bay as a 'part time' operations centre, it went through three phases of change before

it was moved to the Auckland Marine Rescue Centre in Mechanics Bay in 1991. Since then, the Operations Centre has changed operationally and in size. Through the developments of technology and the boom in recreational boating, Coastguard saw the need to be able to communicate with marine users as being critical to its mission of saving lives at sea.

in the volume of traffic through the Centre and our coverage increased throughout the region from Thames across to Kawhia and up both coasts to the Far North. It also now provides night watch and is the back up for all Coastguard Eastern Region marine communications. We have seen huge technology advances and different tools from which to communicate with. This continual pressure on our

infrastructure saw the critical need for an upgrade and refurbishment of the Centre.

The next and newest phase of the Operations Centre has been future proofed, allowing flexibility to address a wider range of rescue situations with its technology modernised to a digital platform. Adapting to a new technology platform has meant that the Centre is more technically capable and able to interface with a broader range of rescue agencies. It has the ability to accommodate a greater number of channels and communication device interactions as demand on services increase. It has an increased number of work stations in the room to meet increased demand thus having the ability to manage a greater number of incidents in a broader range of communities.

The increased number of work stations also means that there is ease in managing incidents where routine safety and trip reporting services can be separated.



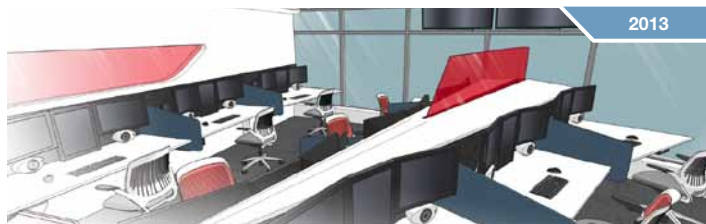
1960s



1960s - 1991



1991 - 2013



2013

It has been 10 years since the last Operations Centre was upgraded when it only served the Hauraki Gulf. During those 10 years we have seen an 82% increase

Coastguard Nowcasting launches on new platform

In addition to our popular Nowcasting service that broadcasts real-time marine weather information for locations throughout the region, we have developed a Nowcasting app.

The app features up-to-the-minute live wind data, weather forecast for recreational and sea areas and tidal information. It requires iOS 5.0 or later and is available across a range of iOS devices including iPhone 3GS (and later), iPod touch 3rd generation (and later) and iPad including iPad mini.

We continue to receive great feedback on the app as sales continue to grow. We are working to apply for funding to make the app available to all smartphone devices by summer 2014.



Marketing and Funding



Funding

The last year has seen us continue to diversify our income streams and adopt multiple funder strategies to ensure sustainable income meets both significant ongoing demands of capital projects and allows us to plan for the future of our organisation. Continued economic pressures mean we need to work even harder for every dollar and ensure we are maximising value and minimising costs right to our boundaries.

Community funders continue to come under pressure with requests for funding well exceeding the funds available. We have played our part in the careful use of this resource through a needs-based approach focussing on core operational areas and community benefits identified through measurement of key performance metrics. We maintain high standards of reporting and funding accountability and have worked hard to identify new funders to reduce our reliance on our existing funding pool.

It is humbling to also acknowledge the nearly \$60,000 of donations received from individuals and corporates last year.

Events

Late last year we were privileged to host the Patron of Coastguard New Zealand, His Royal Highness the Prince of Wales, at our regional headquarters. HRH personally met with a selection of volunteers representing the 2,000 plus volunteers around the country who risk their lives to save others - undoubtedly the highlight of the visit.

This year we were privileged to honour and celebrate the service of hundreds of volunteers through the presentation of long-service awards as part of Coastguard's People First Strategy, an on-going commitment by the organisation to recognise the many New Zealanders who donate their time and energy to keeping people safe on the water.

Thanks to the on-going generous support of Hutchwilco, the Hutchwilco New Zealand Boat Show has become the major membership drive event for the Region. As part of a fresh look at our presence at the show we redesigned our stand to bring it to life and drive key messaging to the thousands of people that attend the show. While not the intended objective, we were the proud recipients of the award for 'Stand of the Year'; a welcome acknowledgement of Coastguard's critical role from key

players within the industry. To the team at Hutchwilco - your continued commitment to our organisation makes us truly humbled to work with you.

Membership

Our Membership Programme has continued strongly as we work to develop and grow this vital programme that is our largest sustainable income stream. It is the generosity of our members that enables us to help them through the provision of our critical services. The implementation of the new Customer Relationship Management (CRM) Database will provide us with a single customer view and the ability to simplify systems and workflow, build on customer engagement and develop our membership offerings.

The 2012 Annual General Meeting saw the annual membership fee increase from \$97 to \$110. This appears to have had little negative impact on our attrition rate which remains at 12% with overall membership income increasing 7% on the previous year in line with the trend over the last five years. We currently have 18,500 members each safe in the knowledge that we are there for them should the unexpected happen. Free assists to CNR members for non-urgent situations continues to be one of the key membership benefits.

Communications & PR

CNR's Marketing & Funding Strategy set key objectives that have seen us execute a range of communications and PR initiatives with results that we can be proud of.

Our volunteers are at the heart of our organisation and with this in mind it is important to communicate effectively with them and provide them with a voice and opportunity to communicate in return. This year saw us launch @coastguard - an online and interactive volunteer newsletter. With clear direction and objectives it sets out to encourage a sense of unity, comradeship and open communication. We are thrilled with the result and feedback received and look forward to continuing to develop this publication.

Our new media process has enabled us to initiate and build relationships with community and national media; helping to ensure Coastguard is recognised as a leading charity that enjoys the support of the New Zealand public. Our ability to communicate incidents in real time

and engage in dialogue in the media has seen our stories provide recognition of Coastguard's role in several high profile and serious incidents.

Community engagement has remained at the forefront for us this year with 44 groups visiting our regional headquarters and 23 visits made to community groups throughout the year. These are great opportunities to share the Coastguard story and engage with our communities.

Sponsorship

Early in the last financial year we set about developing sponsorship strategies that position our brand as one of value and integrity. While this remains a work in progress we are proud to say that we have a strong portfolio of committed sponsors who work alongside us for the benefit of the organisation, our volunteers, members and the thousands of people from our communities who are brought home to safety each year. There is no doubt that without the significant support of funders, corporate partners and sponsors who are deservedly recognised in this report, we simply couldn't do what we do and we are proud to carry their brands.

Our newest sponsor to the Coastguard family is the 'Giltrap Group'. The Giltrap Group is an iconic New Zealand brand with a true commitment to social responsibility. This is a strong brand connection for us and with the alignment to Volkswagen, we have been provided with three vehicles to assist us with offsetting what are significant operating costs and ensure our staff have practical equipment to support our units spread across the region.

Looking forward we will continue to nurture sponsors' brand connections with our target markets and develop sponsor relationships to their full potential to bring benefits to our sponsors, members and our ability to save lives at sea.



Training our People

Providing training to our more than 1,030 volunteers is a balancing act. We have to ensure it meets best practice standards, is accessible and continues to challenge and develop them.

At the same time, training funds are finite so we have a serious responsibility to ensure the delivery of training is as cost effective as possible and always with the goal of ensuring that our volunteers have the very best training and practical skills that we can give them to do the job as lives depend on their readiness for action.

With the above in mind, through the high engagement from volunteers and the support and tireless efforts of our hard working Unit Training Officers, we have seen significant improvements in the numbers on Search and Rescue (SAR) Training modules throughout the region over the previous year demonstrating improved efficiencies.

Our accredited SAR Tutor pool has been stable and through the commitment and effort of these individuals, we have been able to ensure the delivery of both theory and practical training at a diverse range of locations and in a timely manner to ensure the relevance of qualifications.

Air Patrol pilots, In-Flight Coordinators and Observers work in a small environment. There are a lot of considerations to take into account and this sees the need for every air patrol volunteer to understand what rescue vessel and communication teams do as well as their own role. This has seen the level of training in this area expand over and above the national minimum standard. There is no substitute for in the air training, however this relies on the availability of funding as it is in no way a small cost. The increase in training delivery to lift the numbers of these aspects of air patrol have increased significantly with a higher number of volunteers meeting the required training levels.

There has been a significant focus on up skilling the communications volunteers to meet the demand of the boating public throughout our expanding area of coverage by our VHF communications infrastructure. This has seen a need to increase the standard and expectation at recruitment time. We have also identified a need for a specialised course to assist volunteers achieve the Intermediate Radio Operator qualification.

It is encouraging to see the numbers of senior crew obtaining Coastguard Certificate of Competency (CoC) Master qualification which is now at record levels. It is no small achievement to attain these qualifications and the responsibility these roles carry is significant. The training of crew to move on to Master level is all part of excellent succession planning which future proofs our organisation. The process outlined by the training matrix which develops a recruit, through induction, to Trainee, Operational and then Senior Crew comes at significant cost to the organisation and large commitment from the volunteer. Our ability to retain quality trained volunteers is equally as important as our recruitment strategies and requires ongoing funding to ensure its success.

As part of our training matrix, volunteers right across the organisation are required to hold a current first aid qualification, this is no small task. The practical and theoretical delivery of these courses continues to be crucial in our preparedness. The introduction of the First Aid Refresher, a one day option, has been a success. Feedback from volunteers indicates that offering this option provides greater ease for them to keep their qualification current in such an important and intensive area of their training.

We have been successful in obtaining assistance with funding from external sources to assist keeping within our SAR training budget and plan to build on this initiative in the next 12 months.

SAR Training Framework

We have a significant obligation to ensure our people are as effective and as safe as possible, as they risk their lives to save the lives of others. Therefore when it comes to the training for our SAR volunteers there is only one direction for the bar to move and that is upwards. Our current national training matrix is now 6 years old and is currently under review.

The revised training framework as currently drafted will improve the flexibility of delivering theoretical training, place more emphasis on practical training components and introduce more external assessment to ensure greater uniformity of our high standards across the board.

Delivery & Outcomes

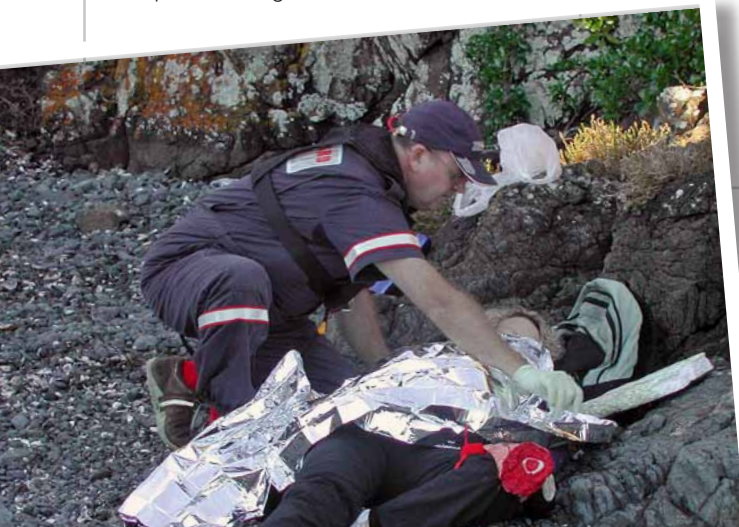
The objectives of the 2013 Education & SAR Training Plan see us working to add more structure and work to ensure volunteers are able to progress logically through the training matrix to achieve both individual goals and a range of levels within units to ensure their operational readiness. In addition to this, we've needed to place focus on the accessibility of courses in remote locations where 40% of our units are based. Improvements in both these areas have been achieved to date with attendance levels significantly up in metropolitan areas and greater numbers of volunteers making positive use of 'training days' in the more remote areas of the region

Statistics

Qualifications attained by our SAR volunteers*

2011 - 2012	2012 - 2013
1,739	2,055
(Increase of 18%)	

*Excludes practical and other qualifications managed by units



» Ensuring that our volunteers have the very best training and practical skills that we can give them to do the job as lives depend on their readiness for action »

Darren Arthur, Education Manager

Educating our Communities

Our public boating education programmes have continued to run smoothly with several initiatives starting to gain traction.

Total student numbers were marginally down (5%) on the previous year with the attraction of sufficient student numbers in the less populated areas proving to be a challenge.

Our tutors continue to generate outstanding feedback and are great ambassadors for Coastguard and safe boating.

Pricewise, our fees are positioned within the mainstream for most courses. In discussions with prospective students, cost doesn't seem to be the main barrier, rather the commitment which is possibly indicative of the current pressure on discretionary time within our communities.

During the year we launched a number of very successful initiatives:

- » On-water harbour familiarisation trips.
- » After its debut and success in 2010 'Suddenly in Charge', an evening for women by women, was relaunched.
- » A school holiday programme has been established for children over 12 years run out of our premises at the Auckland Marine Rescue Centre taking students through a Day Skipper and Marine VHF Operator Course and the opportunity to get afloat in one of our training boats.
- » We have started assisting a large marine organisation with their on water practical training utilising the RYA programme.
- » We have worked to reinvigorate existing relationships and establish new ones with a number of clubs and organisations to provide training directly to their members.



Thank you for your role in protecting myself and my family and helping us to enjoy our boating safety

Day Skipper Student



Looking forward we will continue and expand on these initiatives. Assisting the team will be our new Customer Relationship Management (CRM) software which will allow us to better handle prospective students and target members with education opportunities that are relevant for them which will help lift numbers and progress new initiatives.

Working with at risk groups

The Region's education team has built up an excellent relationship with ACC and Maritime NZ and are actively working along with them to support a number of projects targeting at risk sectors of our communities. Of real success has been the Folau Malu (Journey Safely) Programme for the Pacific Island community. This initiative sees the Day Skipper Course tailored to suit and where needed, delivered in a range of languages.

Boat ramp and life jacket awareness events have been utilised as a vehicle for engagement with at-risk groups. Held at popular boat ramps in the local area, every opportunity has been taken to promote safe boating and education. At these events Coastguard personnel provide boat safety checks and information, life jacket demonstrations and sales. Local volunteers also help members of the public to launch and retrieve their boats.



Drowning affects all New Zealanders irrespective of age, ethnicity, gender or social economic status

*Provisional Report on Drowning 2012,
Water Safety New Zealand*



With our thanks...

...to our supporters for their generosity and belief in Coastguard's mission - it means the world to us, we simply couldn't save lives without them!

Community Partner

Giltrap Group

Sponsors



Hutchwilco
Quality Lifejackets



Funders



Supporters

Auckland Council
Environment Waikato
Icom
Northland Regional Council
Pakuranga Rotary Club
Ports of Auckland
Hamburg Sud
Outboard Boating Club of Auckland

Partners

Auckland Council Harbour Master
Auckland Rescue Helicopter Trust
Maritime New Zealand
New Zealand Fire Service
New Zealand Police
Rescue Coordination Centre of New Zealand
St John Ambulance
Surf Life Saving Northern Region

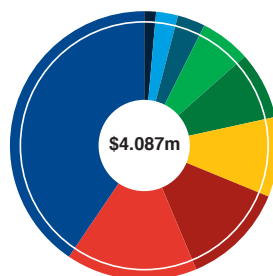
Finance Report

- » An outstanding year driven by ongoing growth in our membership programme, strong cost management, and continued support from community funders and sponsors.
- » The people of Auckland continue to be great supporters of Coastguard through the contribution of the Auckland Regional Amenities Funding Act which has ensured that the significant operational costs incurred by the region have continued to be well resourced.
- » Recovery of search and rescue (SAR) re-imbursements for non-urgent assistance of non-members throughout the region has been vastly improved due to the application of additional resource and new processes.

- » Post restructure in the 11/12 financial year, staffing costs have been well managed and allowed us to apply resource where it is needed.
- » Several capital projects have been completed during the year. This has resulted in 'income for capital projects' being ahead of forecast.

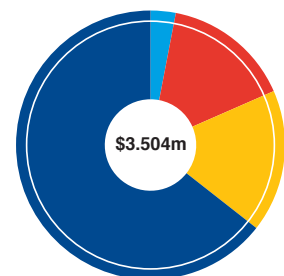
- » The budget for the year ahead delivers a similar theme to the last. Important drivers will be membership growth, ARAFA funding, prudent cost control and planning and support from community funders with key projects.

Income



■ Donations
 ■ Sponsorship
 ■ SAR Reimbursements
 ■ Other Income
 ■ Education Income
 ■ Grants
 ■ CNZ
 ■ ARAFA
 ■ Subscriptions

Operational Expenditure



■ AMRC Expenses
 ■ Membership & Funding
 ■ Education & SAR Training
 ■ Rescue Support

Financial Pages

Auditor's Report



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COASTGUARD NORTHERN REGION INCORPORATED

We have audited the financial statements of Coastguard Northern Region Incorporated on pages 2 to 9 which comprise the statement of financial position as at 30 June 2013, and the statement of financial performance and statement of movements in general funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The board are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Members of our firm are ordinary members of the society and trade with the organisation on standard membership terms. They have no governing body or management roles or influence.

Other than this and in our capacity as auditor we have no relationship with, or interests in, Coastguard Northern Region Incorporated.

Basis for Qualified Opinion on Financial Position and Financial Performance

As stated in note 4 on page 7, the society's statement of financial position records income in advance for capital projects of \$1,268,598. In our opinion the recorded deferred revenue does not meet the definition of a liability in the Statement of Concepts for General Purpose Financial Reporting. To correct this departure would result in an increase to operating income in the statement of financial performance and net assets in the statement of financial position of \$1,268,598.

Control over income from general donations of \$58,549 as disclosed on page 4 of the financial statements, prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

Qualified Opinion on Financial Position and Financial Performance

In our opinion, except for the impact of the departure with the Statement of Concepts and the possible effects of the limited control over general donations prior to them being recorded described in the Basis for Qualified Opinion paragraphs, the financial statements on pages 2 to 9 fairly reflect the financial position of Coastguard Northern Region Incorporated as at 30 June 2013 and the results of its operations for the year ended on that date.

Hayes Knight Audit NZ

HAYES KNIGHT AUDIT NZ

AUCKLAND, NEW ZEALAND

31 July 2013

Coastguard Northern Region Incorporated Statement of Financial Position

As at 30 June 2013

	Notes	2013	2012
Current Assets			
Operating Bank Accounts		95,775	32,411
Bank Deposits		1,920,790	1,433,165
Inventory	1(b)	8,329	8,180
Prepayments		61,167	16,176
Work in Progress		268,029	-
Receivables		<u>170,486</u>	<u>145,757</u>
		2,524,576	1,635,690
Non Current Assets			
Property, Plant and Equipment			
As per Schedule (at Book Value)	1(d), 13	<u>577,349</u>	<u>812,298</u>
		3,101,925	2,447,988
Less Liabilities			
Current Liabilities			
Payables		181,163	192,511
Hire Purchase		0	37,893
Income Received in Advance - Operational	1(f), 3	61,449	91,955
Income Received in Advance - Capital Projects	1(f), 4	1,268,598	548,965
Capital Fund	1(f), 5	0	534,234
Accrued Expenditure		<u>53,884</u>	<u>65,001</u>
		1,565,094	1,470,559
Net Assets		<u>1,536,831</u>	<u>977,429</u>
Represented by:			
General Funds			
Retained Earnings		1,536,831	977,430
		<u>1,536,831</u>	<u>977,430</u>

For and on behalf of the Board who authorised these financial statements

Roly Linstrom
Roly Linstrom (President)

31 July 2013
Date

David Tommas
David Tommas (Chief Executive Officer)

31 July 2013
Date

Page 2

The attached notes form an integral part of these accounts



Coastguard Northern Region Incorporated Statement of Movement in General Funds

For the Year Ended 30 June 2013

	Notes	2013	2012
General Funds at start of Year		977,430	1,187,035
Total Recognised Revenue and Expenses		559,401	(209,606)
General Funds at end of Year		<u>1,536,831</u>	<u>977,430</u>

Page 3

The attached notes form an integral part of these accounts
* may include unposted items - subject to change *



Financial Pages

Coastguard Northern Region Incorporated Statement of Financial Performance For the Year Ended 30 June 2013

	Notes	2013	2012
Income			
Donations		58,549	34,044
Trust Grants		49,624	76,015
Coastguard NZ - SLA & LGB		502,954	503,050
COGS		23,734	28,545
ARAFA		640,000	630,000
Grants - General		349,016	337,119
Subscriptions	1 (a)	1,633,726	1,400,701
SAR Reimbursements		136,260	79,497
Sponsorship		106,771	95,721
Other Income		253,016	273,903
Education Income		333,460	373,803
Total Income		4,087,110	3,832,397
Paid to Units		1,172,073	1,191,996
Education Cost of Sales	6	311,287	367,340
Net Operating Income		2,603,750	2,273,061
Expenses			
Air Patrol Expenses		44,951	66,766
Staff Expenses		1,327,484	1,461,325
Marketing Expenses		216,744	286,633
AMRC Expenses		105,918	102,958
Operational Expenses		326,108	423,883
Total Expenses		2,021,205	2,341,566
Operating Surplus/(Deficit)		582,546	(68,505)
Income for Capital Projects	4	255,618	174,856
Depreciation	1(d),13	277,713	314,186
Loss on Disposal/Sale of Fixed Asset		1,050	1,771
Total Accounting Surplus/(Deficit)		559,401	(209,606)

Page 4

The attached notes form an integral part of these accounts

2. Related Party Transactions

Joe Davis is a Board Member and director and shareholder of Joe Davis Consulting. He was employed as a tutor.

Todd Forsyth is a Board Member and director and shareholder of Todd Forsyth Motorsport Ltd. He was employed as a tutor.

The Board of Management does not consider there were any other related party transactions during the year.

3. Income Received in Advance – Operational and Units

Grants are received from various sources to be used for the benefit of the units and for Coastguard Northern Region, either to fund specific projects or to offset costs incurred. Grants for projects still in progress at balance date are recorded in Income in Advance – Operational and Units.

(a) Auckland Regional Amenities Funding Act 2008

This year \$640,000 (Last year \$630,000) was received from the Auckland ratepayers under the Auckland Regional Amenities Funding Act 2008. The funds have been used during the financial year to cover expenses for units within the Auckland region, and is in line with the Society's submission to the Funding Board.

(b) Units

During the year the following grants were received for the benefit of Units:

- \$15,250 for the ongoing first aid training of volunteers
- \$3,190 for SAR training of volunteers
- \$4,861 for Air Patrol uniforms.

Balance at year end \$4,500.00

(c) Operations

During the year the following grants were received for operational costs:

- \$72,201 to help cover payroll costs.
- \$15,000 to cover costs of Nowcasting maintenance

Balance at year end \$56,949

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The above information must be read subject to the Auditor's Report

Coastguard Northern Region Incorporated Notes to the Accounts

For the Year Ended 30 June 2013

1. Statement of Significant Accounting Policies

Coastguard Northern Region Incorporated is an incorporated society domiciled in New Zealand, registered under the Incorporated Societies Act 1908. The financial statements have been prepared according to generally accepted accounting practices in New Zealand except for departures as noted, as defined by Financial Reporting Standards and applicable Statements of Standard Accounting Practice. The Society qualifies for differential reporting on the basis it is not publically accountable and not large. The Society has taken advantage of all available differential reporting exemptions.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

(a) Subscriptions

Subscriptions are recorded on a cash basis.

(b) Valuation of Inventories

Inventories are valued at the lower of cost, determined on a first-in-first-out basis, and net realisable value.

(c) Goods and Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables which include GST invoiced.

(d) Property, Plant and Equipment Depreciation

Property, plant and equipment are included at cost less depreciation at rates determined by the Board of Management as being the useful life of the asset, defined as between 3 and 5 years.

Assets are classed and depreciated as follows:

Buildings	5 Year Straight Line
Communications	20% Diminishing Value and 3-5 Year Straight Line
Administration	20% Diminishing Value and 3-5 Year Straight Line
Education	3-5 Year Straight Line
Air Patrol	20% Diminishing Value and 3-5 Year Straight Line

(e) Taxation

The society has been registered with the Charities Commission as a charitable entity (registration number CC30031) and is exempt from income tax under the income tax legislation.

(f) Donations and Grants

Any donations and grants in excess of \$50,000 which are received to purchase an asset are treated as deferred income and classified as either Income in Advance – Capital Projects, Income in Advance – Operations Centre Project or Income in Advance – CRM Database. The release of the deferred income is set to match the depreciation on the capital expenditure that has been made. The Board of Management believes that this accounting policy best reflects the financial position and performance of the society, notwithstanding that it contravenes generally accepted accounting practice in New Zealand.

(g) Change in Accounting Policies

There have been no changes in accounting policies. All other policies have been applied on bases consistent with those used in the prior years.

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The above information must be read subject to the Auditor's Report

4. Income Received in Advance– Capital Projects

Income received from donations and grants in excess of \$50,000 and used to purchase assets is treated as deferred income and classified as Income in Advance – Capital Projects. The release of the deferred income is set to match the depreciation on the capital expenditure that has been made. Movements during the year were as follows:

	2013	2012
Opening balance of deferred income	548,965	723,821
Grants received	232,194	-
Less amounts amortised this year	(145,098)	(174,856)
Plus amounts allocated from Grants	632,537	-
Income in Advance	<u>\$1,268,598</u>	<u>\$548,965</u>

5. Capital Fund

Coastguard Northern Region receives grants from various community funders which are then distributed to the units to offset the costs for specific projects, such as the refurbishment of vessels and equipment. Grants received but not yet allocated are held in this fund.

	2013	2012
Opening balance of deferred income	534,234	377,877
Grants received	470,595	450,000
Less amount disbursed	(368,632)	-
Less amount transferred	(636,197)	(293,643)
Capital Fund	<u>\$0.00</u>	<u>\$534,234</u>

The amount showing as transferred relates to funds received and allocated to current Work in Progress relating to the Operations Centre Project.

6. Operating Revenue and Cost of Sales

Gross income from trading sales and lecture courses is shown under Operating Income.

	2013	2012
Cost of Sales includes costs of:		
Products sold over the counter	321	11,567
Running education courses	191,279	229,182
SAR Personnel Training	119,696	126,591
	<u>311,287</u>	<u>367,340</u>

7. Segment Information

Coastguard Northern Region Incorporated operates predominantly as a marine safety organisation within the area north of a line between Kawhia and Thames, providing search and rescue, education, communication and marine safety services.

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The above information must be read subject to the Auditor's Report

Financial Pages

Coastguard Northern Region Incorporated

Notes to the Accounts

For the Year Ended 30 June 2013

8. Expenses

Audit fees paid to Hayes Knight Audit NZ for the financial year were \$14,118 (2012:\$12,730)
Lease expenses paid to Euro Leasing relating to motor vehicles were \$25,176 (2012:\$0.00)
Lease expenses paid to Leasing Solutions relating to printers were \$24,394 (2012:\$0.00)
Lease expenses paid to Pitney Bowes relating to franking machine were \$1029 (2012:\$0.00)

9. Capital Commitments

There were capital commitments of \$100,000 at year end (Last year \$38,400).

This relates to the following:

\$100,000 was received from NZCT to cover the redesign of our operations centre. Expenses to date have been \$0.00 leaving a balance of \$100,000

10. Lease Commitments

Total lease expenditure contracted for at balance date but not provided for in the financial statements:

	2013	2012
Current	\$50,596	\$0
Non-current	\$142,762	\$0

11. Contingent Liabilities

There were no known contingent liabilities at year end (Last year \$0).

12. Post Balance Date Events

There have been no events subsequent to 30 June 2013 that require disclosure in these financial statements.

13. Property, Plant and Equipment and Depreciation

Closing cost, accumulated depreciation and net book value of assets:

Asset Group	2013			2012		
	Cost Price	Accum Deprec.	Net Book Value	Cost Price	Accum Deprec.	Net Book Value
Buildings	58,237	58,237	0	58,237	58,237	0.00
Communications	1,733,871	1,600,738	133,133	1,858,749	1,581,949	208,562
Administration	120,311	104,098	16,213	157,889	125,155	8,338
Air Patrol	953,807	556,635	397,172	963,219	412,394	550,825
Education	82,611	51,780	30,831	-	-	-
Motor Vehicles	0	0	0	93,687	49,670	44,016
Rental Lifejackets	0	0	0	1,391	836	555
	<u>2,948,837</u>	<u>2,371,488</u>	<u>577,349</u>	<u>3,133,172</u>	<u>2,228,241</u>	<u>812,296</u>

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The above information must be read subject to the Auditor's Report



Coastguard Northern Region Incorporated

Budget For Year Ending 2014

2014

Operating Income

Donations, Grants and Sponsorship	1,667,348
Membership Subscriptions	1,710,000
Education Income	274,400
Trading Sales	12,000
Towing and Search Reimbursement	122,900
Commissions, Rent and Other Activities	301,580
Other Income	111,600
	<u>4,199,828</u>

Less Cost of Sales

206,260

Less Paid to Units

Fuel Costs	357,800
All Other Payments	896,194
	<u>1,253,994</u>
	<u>2,739,574</u>

Less Expenses

Audit Fees	15,000
Computer and Telecommunications	112,596
General Expenses	39,300
Insurance	38,400
Promotions and Events	49,700
Member Communication and Events	90,400
Motor Vehicle Expenses	49,176
Personnel	1,399,000
Printing, Stationery and Postage	64,200
Rent, Rates and Building Expenses	99,400
Repairs and Maintenance	101,532
SAR Expenses	262,800
	<u>2,321,504</u>

Surplus/(Deficit) from Operational Activities

418,070

Plus Income for Capital Projects

239,015

Less Depreciation

(377,149)

Net Surplus/(Deficit)

279,936

The attached notes form an integral part of these accounts

The motor vehicles are held on lease

Depreciation Charged:

Asset Group	2013	2012
Buildings	0	0
Communications	93,891	116,106
Administration	4,301	1,457
Air Patrol	153,650	177,607
Education	25,337	-
Motor Vehicles	534	18,737
Rental Lifejackets	0	278
	<u>277,713</u>	<u>314,185</u>

14. Sponsorship Income

Some sponsorship income is received as goods in kind. This has been valued as follows:

- Energizer valued at cost price in 2013, at retail value in 2012.
- Century valued at best price available.

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The above information must be read subject to the Auditor's Report



Agenda - Annual General Meeting

Notice is hereby given that the Annual General Meeting of members will be held at the Auckland Marine Rescue Centre, Mechanics Bay, on **Tuesday 10th September 2013** at **1900 hours**.

Business

1. Apologies
2. Confirm the minutes of the 2012 Annual General Meeting
3. Receive the President's Report
4. Presentation of the Chief Executive Officer's Report
5. Receive and consider the Financial Statements for the year ended 30th June 2013, and the Auditor's Report
6. To elect and declare Officers and Committee for the ensuing year
 - a) President
 - b) Vice President
 - c) Two Board Members
7. Announcement of Operational Committee appointees to the Board
 - a) Hauraki OpsCom
 - b) Northland OpsCom
 - c) Tasman OpsCom

8. Ratification of Board nominees for, and Chairperson of, the Judicial Panel
9. Constitutional Remits
10. To fix the annual subscription for the ensuing year
11. Appointment of Auditors
12. To transact any other business which may be properly brought before the meeting

David Tommas
Chief Executive Officer

Election of Officers - Coastguard Northern Region Board

Nominations for the various positions on the Board for election at the Annual General Meeting to be held on Tuesday 10th September 2013 must be in the office of the Chief Executive Officer by close of business Tuesday 3rd September.

The Nomination and Proxy Form can be found on our website: www.coastguard.org.nz

Please copy, complete and return to the Regional Office (please see contact information below).



Coastguard Northern Region

POSTAL ADDRESS / PO Box 2195, Shortland Street, Auckland 1140

STREET ADDRESS / Level 1, Auckland Marine Rescue Centre
3 Solent Street, Mechanics Bay, Auckland

PHONE / 09 303 4303

EMAIL / admin@coastguard.org.nz

WEB / www.coastguard.org.nz

THE CHARITY SAVING LIVES AT SEA

