

# Statement of Performance Expectations

Te Tauākī o ngā Taumata Mahi me Tutuki

2021/22





Presented to the House of Representatives pursuant to section 149 of the Crown Entities Act 2004.



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## Foreword

### He tīmatanga kōrero

We are pleased to present this Statement of Performance Expectations for Fire and Emergency New Zealand.

It outlines how we will deliver our core services and the key initiatives we plan to achieve in the year to 30 June 2022 and how we will measure our progress. It should be read alongside our Statement of Intent 2020–2024, our 10-Year plan 2020–2030, and Our National Strategy 2019–2045, which are currently guiding our work and outline what we plan to achieve over the next 3, 10 and 25 years respectively.

Since Fire and Emergency was formed on 1 July 2017, we have been building a unified fire and emergency organisation that has capability to serve New Zealand's communities now and into the future. We have established the foundations of our new organisation including key strategies, our vision and values, improved health and safety processes, resources and tools for the frontline, and new leadership structures.

Over the next 12 months, Fire and Emergency's focus will be on consolidating these changes. We will improve our risk reduction activities and continue to work with communities to identify their risks and needs so they are well prepared when emergencies happen. We will strengthen our relationships with Māori and other communities by increasing the cultural capability of our people and by working with iwi and hapū. We will maintain our strong focus on the safety and wellbeing of all our people, and on building an organisation with a respectful and inclusive culture that reflects the diversity of the New Zealand population. And we will continue to play a strong and collaborative role in the emergency sector and to strengthen the relationships we have with our sector partners and stakeholders.

We know we will likely experience COVID-19's social and economic impacts for many years. We remain committed to keeping our people safe and to supporting the all-of-Government response to COVID-19.

On behalf of the Board, we would like to thank to all Fire and Emergency people for their efforts to keep New Zealand safe and to build stronger communities.



A handwritten signature in blue ink that reads "Paul Swain".

**Hon. Paul Swain**  
Board Chair



A handwritten signature in blue ink that reads "Rebecca Keoghan".

**Rebecca Keoghan**  
Deputy Chair

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25 June 2021

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# Who we are and what we do

## Ko wai mātou me ngā mahi ā tari

For more than 150 years, fire service organisations have been at the heart of New Zealand communities, protecting and preserving lives and property.

During that time, although our role and the types of emergencies we respond to have changed, our services have remained vital to our communities.

In 2017, the Government decided to unify New Zealand's urban and rural fire services into one integrated fire and emergency services organisation to reflect the changing needs of our communities and the changing roles of firefighters.

Since Fire and Emergency was formed on 1 July 2017, we have focused on bringing together rural and urban fire services and developing the structures, systems, tools and ways of working that we need to operate as one unified organisation.

These days, firefighters do so much more than just fight fires. They respond to a wide variety of emergencies, including motor vehicle accidents, medical emergencies, hazardous substances, severe weather events and natural disasters. We work with communities to build their resilience by helping them prepare for, respond to and recover well from emergencies. We help reduce risk in communities through fire safety campaigns, research, and by providing advice, for example, on the building code to promote safer building design.

It takes almost 15,000 Fire and Emergency people working together to protect what's important to our communities, including almost 12,000 volunteer and 2,000 career firefighters, and all the necessary people who support our frontline services.

Fire and Emergency recognises the status of Māori as tangata whenua and, as such, the importance of Māori communities as key stakeholders in our work.

By committing to work with tangata whenua, we contribute to a safer environment not only for Māori but for all New Zealand communities. We will do this by building strong relationships that enable us to engage with iwi and Māori as we design and deliver services. We will strengthen our cultural capability, diversity and inclusion, so that we better reflect and understand the various communities we serve.

### Our statutory remit

Fire and Emergency was established under the Fire and Emergency New Zealand Act 2017 (the Act) to bring together over 40 firefighting organisations around the country.

We have two main areas of responsibility under the Act:

- A range of emergency management functions
- A role as a regulator.

Our emergency management functions are separated into our main and additional functions as outlined in the diagram on the following page.

### Impact of COVID-19

Fire and Emergency provides an essential service to New Zealand communities and plays a vital role in keeping communities safe. The COVID-19 pandemic has changed our operating environment, and we will feel its social and economic impacts for years to come. It has closed our borders, reduced tourism, impacted seasonal employment, and many New Zealanders living overseas have returned home, changing the dynamics of our communities. Uncertainty has driven a stronger focus on ensuring our financial management, operating model, and volunteerism are sustainable.

Throughout the pandemic, we have focused on keeping our people safe so they can continue to keep our communities safe. We continue to focus on being ready for a resurgence of COVID-19 in the community, and planning for a significant emergency during elevated COVID-19 alert levels. We will continue to work closely with our partners and other agencies as New Zealand responds to, and recovers from, COVID-19.

## Our emergency management functions

### Main functions



Promoting fire safety



Providing fire prevention, response and suppression services



Stabilising or rendering safe incidents that involve hazardous substances



Providing for the safety of persons and property endangered by incidents involving hazardous substances



Rescuing people trapped because of transport accidents or other incidents



Providing urban search and rescue services

### Additional functions

Assist with:



- medical emergencies
- maritime incidents
- weather events



- natural hazard events and disasters incidents



- incidents in which a substance other than a hazardous substance presents a risk to people, property or the environment



- promoting safe handling, labelling, signage, storage and transportation of hazardous substances



- rescues including line and animal rescues, rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres and swift water



- providing assistance at transport accidents.

## Our role as a regulator

We also have a role as a regulator, which is focused on fire safety and fire-related offences. This includes:

- a range of activities including setting fire seasons and issuing fire permits
- a compliance and enforcement function
- issuing infringement notices and prosecuting certain regulatory offences.

In addition to our two main areas of legislative responsibility under the Act, we carry out additional risk reduction activities under various legislative provisions and organisational practices. Our activities are also primarily focused on fire safety and include:

- being consulted on changes to relevant fire bylaws and certain matters of compliance with the Building Act 2004
- providing essential technical expertise on the firefighting capability required for outdoor pyrotechnic displays
- being consulted, as needed, by other authorities when they consider exemptions under their legislation
- being consulted, as needed, by local or regional authorities in the development of local district or regional council plans
- approving certain events or changes, such as the location of fire hydrants.

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# Our strategic direction

## Tō mātou aronga

Our communities face increasingly complex challenges as the climate changes, our population ages, grows and becomes more diverse, and technological developments continue to gain momentum.

As communities evolve and adapt to these challenges, we must too, in order to understand their changing needs and continue to protect what is important to them. This means we will need to change how we work in the short, medium and longer term.

The foundations of our strategic direction are Our National Strategy 2019–2045 (Our Strategy), our 10-Year Plan 2020–2030 and our Statement of Intent 2020–2024 (SOI). These outline our plans over 25, 10 and 3 years, and guide our activity and investment to build a unified organisation that delivers for our communities. Our unified organisation will have a greater variety of skills, foster collective leadership and continue to adapt and respond to changes in New Zealand’s unique environment, now and in the future.

Each year we determine our priorities to help us make progress towards building a unified organisation. We have set these out for the coming year in this Statement of Performance Expectations (SPE). We consider how we will be financially sustainable, what’s changing in our communities, climate change, and the effects of continuing to implement organisational changes, alongside responses to COVID-19.

### Our Strategy 2019–2045

Our Strategy sets our long-term strategic intentions to bring Fire and Emergency together as a unified organisation. Over the coming years, we expect fundamental changes to technology in the communication, infrastructure and transport sectors. We also expect to see changes across our operating environment as our population grows and becomes more diverse, and a changing climate causes more extreme weather-related events, such as wildfires.

These changes mean we will need to adjust our responses so we are well placed to continue to serve New Zealand’s communities.

### Our 10-Year Plan 2020–2030

Our 10-Year Plan sets out the most important things we need to do over the next decade, and the benefits this work will deliver for our communities.

It will help us deliver the intentions set out in Our Strategy, help us be clearer on the decisions we need to make and actions we need to take, inform our investment over the medium term, and help our people understand what our priorities are, and why.

### Our Statement of Intent 2020–2024

Our SOI takes its lead from Our Strategy and sets out our intent for the next four years. It outlines how we’ll continue building a unified organisation that works with communities to help them reduce risk and prepare for, respond to and recover quickly from emergencies.





## Our strategic framework

Our strategic framework, shown below, sets out the key elements of why we are here, our purpose, vision, outcomes and priorities for the longer term, our values and operating principles.



### Our purpose

Protecting and preserving lives, property and the environment

### Our vision

Stronger communities protecting what matters

### Our outcomes

Communities prepare for, respond to and recover well from emergencies

Our services are valued and trusted

Social, economic and environmental impacts from emergencies are minimised

### Our strategic priorities

Building resilient communities

Collaboration, partnerships and influence

Growing our people

Intelligence-led, evidence-based decisions

Keeping pace with change

### Our values



**We do the right thing**  
Kia tika



**We serve and support**  
Manaakitanga



**We are better together**  
Whanaungatanga



**We strive to improve**  
Auahatanga

### Our operating principles

Put safety, health and wellbeing first

Value people

Champion inclusion

Strengthen communities

Work together

Drive change

Be accountable

## Our eight key areas of change

As we amalgamated and integrated Fire and Emergency we identified eight key areas of change to support our organisation and the way we operate to better serve our communities. We built our operating model around these areas of change. They also formed the foundation of Our Strategy and are reflected in our strategic priorities. The eight key areas of change are shown below.

### Strategy-led

We will set a clear direction for how we and our partners can make a difference for New Zealand communities now and in the future. Everyone will know their role in delivering our strategy, and we will measure how effective we have been.

### Learning organisation

We will actively seek information about what we do and don't do well, look forward to what we could do better, and look outside to what others do better, ensuring we continuously embed improvements and changes.

### Inclusive and dynamic people system

We will build a different organisation for our people (employees, volunteers and contractors). Building a shared identity, and a diverse and inclusive culture, will create an engaged organisation that values and recognises a broader set of people, skills and capabilities. We will recruit and support our people to develop the capabilities we need to best serve our communities.

### Empowered decision-making

We will consistently make our decisions closer to the communities we serve. Everyone will know what decisions they own and are accountable for, and will be supported to make these decisions in line with the organisation's broader direction.

### Insight from intelligence

We will collect, analyse and share data, information and knowledge; generate insights; and make evidence-based decisions which lead to better outcomes.

### Community focus

We will be externally focused and recognise the community voice in the way that we work with them and the things that we prioritise. We will recognise that communities are not all the same, and work in partnership with them to build resilience.



### Transparency of investment, cost, and value

We will be transparent about our investment, including what our services cost, and the value that we deliver to our communities. We will communicate this as part of levy-setting.

### Risk reduction

Formalising the way we proactively reduce risk will help prevent harm by targeting a wider range of risks within our statutory mandate, and by working more proactively with communities and partners to jointly manage and reduce risk. We will use evidence to influence government and partners, target the cause of risk, and measure the impact we are having.

# Our performance measurement framework

Our performance measurement framework sets out key aspects of our services and activities and the effects we want to have in our communities. This will enable us to design good measures and key performance indicators to track our progress. When we better understand how well we are doing, we can make more informed decisions for the future.

We are accountable and report our performance to:

- the public and Parliament through our Annual Report and the Annual Review process
- the Minister of Internal Affairs and the Department of Internal Affairs, our monitoring agency.

## Our desired Outcomes

The long-term changes we want to see in our communities

## Our current Impacts

Intermediate steps to achieving our outcomes

### Our vision: “Stronger communities protecting what matters”



## Our strategic priorities

Our focus and intentions for 2021/22

Building resilient communities

Collaboration, partnerships and influence

Our day-to-day  
**Outputs**

Our services and activities

Fire prevention including promotion of fire safety, compliance and enforcement

Fire response and suppression

Render safe hazardous substances and provide for safety at incidents

Rescue as a result of transport accidents and Urban Search and Rescue (USAR)

Responding to other emergencies, including medical, maritime, other rescues, natural hazard events

Our resources  
**Enablers**

Work we do within our organisation, to ensure we are set up to succeed



People and culture



Systems and processes



Assets and Infrastructure

Growing our people

Intelligence-led, evidence-based decisions

Keeping pace with change

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# Our intentions for the coming year

## Ngā takune mō te tau e heke mai ana

Our key initiatives for the coming year are aligned to each of our strategic priorities and are shown below and on the following pages.

Alongside these key initiatives, we are committed to supporting the All-of-Government response to the COVID-19 pandemic.

### **Building resilient communities:**

- Risk reduction
- Community readiness and recovery
- Response capability

### **Collaboration, partnerships and influence:**

- Strengthened engagement and operational integration with our sector partners
- Local advisory committees (LACs)
- Hiwa-i-te-rangi (Māori Outcomes Programme)

### **Growing our people:**

- Safety, health and wellbeing
- Positive workplace programme
- Workplace culture and change
- Enabling sustainable volunteerism

### **Intelligence-led, evidence-based decisions**

- Local planning
- Portfolio, programme and project performance
- Financial stewardship

### **Keeping pace with change**

- Embedding our organisational structure
- Carbon Neutral Government Programme
- Asset management
- Fleet
- Equipment
- Property.





# Building resilient communities

Empowering communities to identify local risks and needs so they are well prepared when emergencies happen



## **Community readiness and recovery**

We work to prepare communities for emergency events to reduce the impact when they happen and to help communities recover faster.

We carry out education and engagement to promote community preparedness and recovery.

We give our teams the necessary frameworks, programmes and tools to engage with their local communities to increase community resilience.

We work collaboratively to develop evidence-based communications to encourage positive behaviour change to reduce risk. Our approach is based on risks identified from analysis of incident data and informed by insights from attitudes and behaviours. Over the 2021/22 year, this evidence base will be enhanced by research to provide richer insights into our different audiences so we can make sure our communications reach the right people.

In the year ahead, we will continue developing our recently launched 'Firefighters don't like fire movies' campaign. We will link this campaign to our messages about house fires.

We will continue our seasonal summer wildfire campaign to raise awareness of risks and encourage fire safe behaviours. We deliver our summer campaign in collaboration with a range of partners and it has a strong focus on leading people to the [checkitsalright.nz](https://checkitsalright.nz) website. We will continue to improve our websites and social media engagement to help the public understand fire risk and know what action to take.



## Risk reduction

Our focus is on reducing fires and their impact on lives and property. Our people investigate fires to find their causes and to ensure our activities remain focused on identifying new trends, to reduce risk.

We manage the national fire control measures, which includes maintaining and monitoring automated weather stations to identify increased risks, and we put effective control measures in place to help mitigate these. Our fire engineers advise on fire safety for residential builds as well as larger scale, innovative building designs.

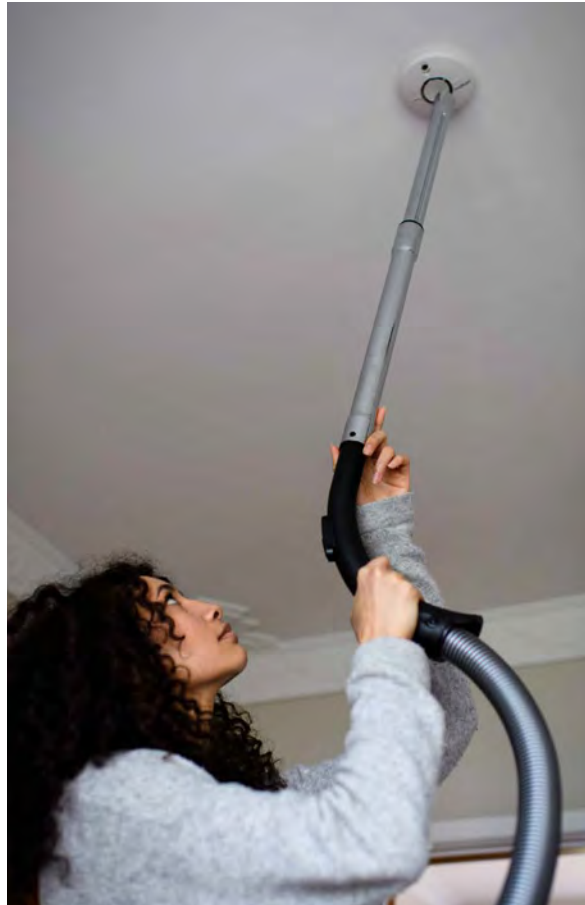
We monitor and ensure compliance with fire safety regulations, including fire permitting, fire plans, evacuation schemes and general fire safety.

We work with other government agencies to influence the development of legislation, to ensure fire safety is included where needed.

## Response capability

We are responsible for leading the provision of specialist response capability for our communities and across the emergency sector. This includes coordinating special response deployments nationally and internationally. We develop operational policy and frameworks and tools for our people, to ensure consistency while allowing flexibility to meet the needs of local communities. We maintain a focus on continuous improvement and keeping our people and our communities safe.

**Tables of measures from pages 28 onwards show how our work will reduce risk and help build resilient communities.**



# Collaboration, partnerships and influence

Working towards a strong  
and collaborative role in  
our sector with a focus on  
shared outcomes

## **Strengthened engagement and operational integration with our sector partners**

We cannot fulfil our purpose or best serve our communities without partnerships and relationships, both national and local. We have established strong and effective relationships with our government colleagues and local authorities, iwi and community groups. However, the partners we work with and how we need to work with them are changing. In recent years, significant emergency incidents such as weather events have increased in number and severity, and this is likely to continue. This means we need to work with a broad range of partners, including large commercial entities, land-based industries, iwi, hapū, marae and agencies such as the Ministry for the Environment and Ministry for Primary Industries.

Over the coming year, we will continue our strong focus on building relationships with a range of partners to strengthen our outreach.

## **Local advisory committees (LACs)**

In June 2020, we established seven LACs on the West Coast, in Northland, Tairāwhiti, Hawke's Bay, Marlborough, Chatham Islands and Otago.

LACs will strengthen our connection with communities by providing local advice to inform our planning. This will help us better support communities to reduce risk, prepare for and respond to emergencies, and recover quickly when they happen.

We have planned a Year 1 evaluation of the seven LACs for mid-2021. This evaluation and lessons from the establishment of our first seven LACS will help inform our next steps.

### Hiwa-i-te-rangi (Māori Outcomes Programme)

Hiwa-i-te-rangi is a three-year programme named after the ninth star of Matariki, symbolising growth and aspirations. It brings to life our commitment to working with Māori as tangata whenua by improving the way we serve Māori communities. Māori are not only significant owners of forests and land (which is increasing through Treaty settlements and the Māori economy) but are also disproportionately impacted by unwanted fires.

To achieve this, Hiwa-i-te-rangi aims to:

- build organisational and individual capabilities to engage with iwi and Māori in culturally appropriate ways
- strengthen relationships that enable us to engage with iwi and Māori when designing our services and our supporting policy and practice.

Our focus for 2021/22 is on:

- increasing our awareness of Hiwa-i-te-rangi and our commitment to Māori as tangata whenua, by communicating the 'why' of the programme throughout the entire organisation. This will include an official programme launch during Matariki 2021
- working with leadership groups to build awareness of kaupapa Māori while preparing the rest of the organisation for the mahi ahead
- strengthening our Māori networks across the country
- testing aspects of our cultural competency framework and understanding how we can apply tikanga to the organisation.



Performance measures	Target 2021/22
Consider the lessons learned from the Year 1 evaluation of the first seven LACs to inform next steps	By 30 June 2022
Cultural competency framework tested and confirmed	By 30 June 2022

# Growing our people

Building an organisation with a respectful and inclusive culture that people want to be a part of

## **Safety, health and wellbeing**

The nature of our work means our people encounter a wide range of risks to their physical safety, work-related health, psychological wellbeing, and often operate in uncertain or rapidly changing environments.

Wellbeing remains our priority. We will ensure our people are supported and well by advancing the early intervention aspects of our wellbeing programme.

In 2021/22, we will focus on establishing a critical risk management framework to provide the foundations for ensuring that our people go home safe and well every time.

## **Positive workplace programme**

Bullying and harassment are not acceptable at Fire and Emergency and do not support our values or the expectations of our people.

We commissioned retired Judge Coral Shaw to undertake an independent review in 2018, a year after Fire and Emergency was established. Her report was released in early 2019. The review found that while most of our people act ethically and respectfully, unwanted behaviour has been a feature at all levels of our organisation.

We have either implemented, or are in the process of implementing, the 33 recommendations from the independent review, to address bullying and harassment, as it has no place in our organisation.

Key programmes include our Behaviour and Conduct Office (BCO), Dispute Resolution Procedure, Respect and Inclusion, Sexual Harassment and Victimisation. We are engaging and consulting with our people on our draft Standards of Conduct policy, Managing Alleged Misconduct Procedure, Sexual Harm Policy and guides for addressing bullying, harassment and victimisation.

## Workplace culture and change

We are committed to providing the right training, development and support to enable our people to thrive in their jobs.

We have developed a People Strategy to set out the changes we must make to ensure our people are:

- safe and connected with each other
- skilled and engaged in their roles
- empowered and innovative to drive change.

Our key activities for 2021/22 will focus on refreshing and continuing to implement our People Strategy.

We will continue to improve the maturity of our workplace culture by focusing on the psychological wellbeing, physical safety and work-related health of our people. Respect and inclusion initiatives will include flexible working, gender equity and inclusion initiatives, respect and inclusive leadership training and supporting the Hiwa-i-te-rangi Programme to lift our cultural capability.

## Enabling sustainable volunteerism

New Zealand has long been served by volunteer brigades and fire forces. From our first volunteer fire services in the 1850's, our history of firefighting in this country has reflected the international evolution to a mix of career and volunteer personnel. Our people are a passionate and committed group, whether they are urban or rural, career or volunteer. They all play a key role in our work to protect people, property and the environment. Volunteers still make up the majority of our workforce, but changes in our operating environment are putting our volunteer model under pressure. Volunteers are vital to the fabric of New Zealand's society. Volunteerism is fundamental to our country's ability to provide effective and affordable services and build strong, resilient communities.

Fire and Emergency is establishing a volunteerism portfolio to enable a more cohesive and coordinated approach to implementation.

For more effective and sustainable fire and emergency community-based services and improved community resilience, Fire and Emergency has committed to better supporting our volunteers by implementing our 10-Year Volunteerism Strategy and tracking our progress against it.

Performance measures	Target 2021/22
Report six monthly to the public and our people on the progress made to deliver the Positive Workplace Programme	By 30 June 2022
Establish the Behaviour and Conduct Office with agreed scale and time frames	By 30 June 2022
Conduct a review of volunteer, family and employer recognition activities and develop a three-year implementation plan	By 30 June 2022

# Intelligence-led, evidence-based decisions

Evidence-based decision-making will help us deliver our outcomes and make strategic shifts

## **Local planning**

We are continuing to develop and implement an approach to local planning in accordance with our legislation. Our approach will be nationally consistent to ensure we are considering advice from our LACs and Fire and Emergency teams, as well as our stakeholders and partners, so we are well placed and flexible to understand the risks, priorities and needs of our local communities.

Our focus in 2021/22 is on developing processes, tools and templates to help our people better understand local planning, what it means and what they will need to do. This will also help our LACs to input into our processes and let us know how well our local planning is going.

## **Portfolio, programme and project performance**

We are committed to increasing the maturity of our portfolio, programme and project management across the organisation. This will help improve planning, investment and delivery of our initiatives so we can deliver projects within scope, on time and on budget.

**Financial stewardship**

We are committed to making transparent and responsible investment decisions. We will operate within funding parameters which:

- allow the organisation to meet its legislative mandate and responsibilities
- reflect the financial constraints of a post-COVID-19 situation.

As we better understand the social and economic impacts of the COVID-19 pandemic, we will adjust our broader service delivery model and priorities to ensure they align with government priorities. This means prioritising continued impact assessments, reforecasting, and exercising prudent and transparent fiscal management. Our internal financial frameworks ensure that our investments remain efficient and effective.

We will ensure that our internal frameworks help give our communities value for money, and we invest efficiently and effectively.



Performance measures	Target 2021/22
Develop processes, tools and templates, and advice to guide local planning to assist its integration into organisational planning processes	By 30 June 2022

# Keeping pace with change

We will be responsive and courageous in a changing environment

## **Embedding our organisational structure**

In 2021/2022 we will embed our new Service Delivery structure at a Region and District Level. This significant milestone will see the stand up of new Districts who will be led by District Managers who have responsibility for delivering across the “four Rs” of emergency management in both the built and natural environments. This structural change is critical to achieving the government’s intent of the reform which is a unified, nationwide fire and emergency service. This will greatly assist our ability to respond to and prepare communities for the changing risks they face, alongside our partners.

## **Carbon Neutral Government Programme**

In the 2021/22 financial year we plan to use our first carbon emissions baseline to develop a plan to reduce our emissions, in line with the Government programme.<sup>2</sup>

## **Asset management**

We have a capital asset base of approximately \$1.5 billion. We are responsible for 653 fire stations and depots across the country, plus regional offices and a corporate head office. These assets are essential for us to deliver efficient and effective services within our communities.

We have developed our 2019–2028 Strategic Asset Management Plan (SAMP), which sets out how we will integrate and manage our assets, using a consistent approach. We will use evidence to inform our decisions and local planning to help us take local risks and needs into account. We will consider how we need to manage our spending in a post- COVID-19 environment, and ensure that our investments in our assets are good value.

We will continue to lift our asset management maturity, to ensure our assets are integrated, fit for purpose and help our people deliver our services. We will ensure we have the right assets, in the right condition, in the right place, for the right cost.



## ICT

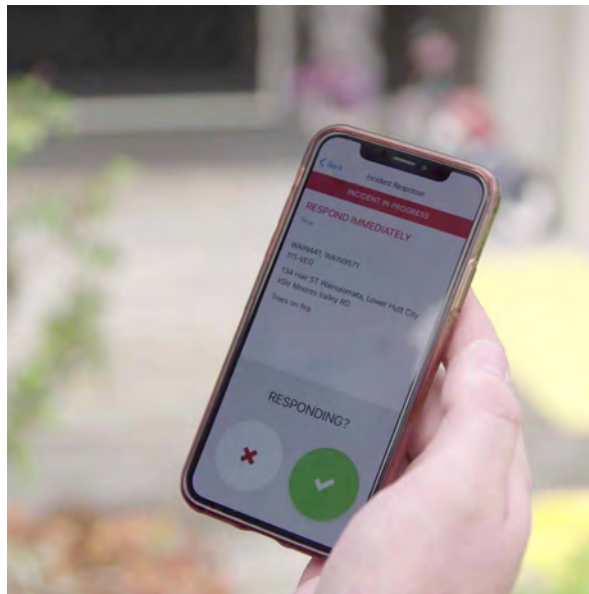
Our Digital Strategy focuses on building the foundations for quality information, upgrades to our digital network for improved resilience, keeping pace with evolving cybersecurity threats, and implementing mobile tablets and applications in our busiest fire trucks.

By delivering our Digital Strategy over coming years we will:

- provide accessible, real-time information so our people can do their jobs and fulfil their responsibilities, even when mobile
- streamline business processes through digital transformation, enabling automation to drive simplicity and improve service
- integrate technologies so we can share information better
- support the simplification and seamless interaction between services on-premise and the public, private and hybrid cloud.

## Fleet

Our fleet provides the operational capability to deliver services to communities. This means we must manage our fleet, replace vehicles at the end of their lives, and upgrade vehicles as required. We are committed to investigating options for a low emission fleet, considering operational and commercial feasibility, and trialing new prototype appliances to assess whether they are suitable for our needs. We are committed to continuously improving how we manage our fleet and continuing to upgrade the electronic format of our fleet management system to improve safety and accessibility for our people.



1 The New Zealand integrated approach to civil defence emergency management can be described by the four areas of activity, known as the “4 Rs”; reduction, readiness, response and recovery.  
2 The Carbon Neutral Government Programme will require public sector agencies to measure and publicly report on their emissions and to offset any they cannot cut by 2025.

## Property

Our property management goal is to ensure a unified, fit-for-purpose and well-maintained network of facilities to support our work in our communities. We regularly assess and review the type and number of facilities we need. This helps us to best meet the needs of communities.

Property projects we will progress over the next 12 months include:

- building or upgrading the 22 remaining fire stations as part of the COVID-19 Response and Recovery Fund (CRRF)<sup>3</sup> (by June 2023)
- building five fire stations – part of the Greater Christchurch Rebuild project (by June 2023)
- bringing 90 percent of facilities in high-risk areas up to a seismic resilience standard of a minimum of 67 percent New Building Society Importance Level 4 (by June 2024)
- defining and implementing an Integrated Asset Management Information System (AMIS) for property (by June 2023)
- revising our Property Strategic Plan by June 2022.

## Equipment and logistics

We are working to improve how we manage our operational equipment throughout its life cycle by adopting a nationally controlled and regionally executed integrated Equipment and Logistics Strategy.

Over the coming years, we will improve the capacity and capability of our equipment and logistics system, manage and maintain our equipment to relevant and appropriate standards, invest in new technologies, and build strategic relationships with suppliers. This will help us to maintain our critical equipment based on risk, and to develop and deploy it based on information and evidence.

In 2021/22, we will focus on designing and deploying a fit-for-purpose asset management system that helps us manage our equipment through its life cycle, to deliver the right equipment to the right people at the right time.

Performance measures	Target 2021/22
Develop a climate change adaptation and mitigation plan consistent with the Carbon Neutral Government Programme	By 30 June 2022
COVID-19 Response and Recovery Fund projects already complete or in the process of handover	21 <sup>4</sup>

<sup>3</sup> \$51.3 million given to Fire and Emergency for 26 'shovel ready' projects to support a response to and recovery from COVID-19.

<sup>4</sup> We have completed four projects, 21 are scheduled to be completed or in the process of handover by 30 June 2022. The remaining project is scheduled to be completed in the first quarter of 2022/23 in accordance with our funding agreement.



# Our reportable outputs

## Tā mātou whakaputanga ā-pūrongo

The output classes reflect our legislated mandate and closely cover the services we provide across the 4Rs – reduction, readiness, response and recovery.

### Output class 1: Fire prevention including promotion of fire safety, compliance and enforcement

Fire prevention is one of the main areas of our commitment to protect New Zealand.

Our focus is to help build community resilience so that people and communities are equipped with fire safety knowledge, are aware of their risks and know what action to take.

What we will do	Output class	Measures	Target 2021/22	
<ul style="list-style-type: none"> <li>• promote fire safety</li> <li>• provide fire prevention services</li> <li>• assist in setting fire safety standards and granting certificates or approvals</li> <li>• ensure compliance with standards through monitoring and enforcement.</li> </ul>	<b>Output 1.1 Promote fire safety</b> Every year we promote fire safety by delivering campaigns, education programmes and advice – nationally and locally. We aim to change people's behaviour by educating them about fire risks and how to reduce those risks.	1.1.1	Rate of recidivism among Fire Awareness and Intervention Programme participants	Below 10%
		1.1.2	Percentage of schools with Year 1 and 2 students offered the Get Firewise Programme	100% by 30 June 2023
		1.1.3	Percentage of schools with Year 1 and 2 students who complete the Get Firewise Programme	60% by 30 June 2023
		1.1.4	Percentage of survey respondents with an escape plan	62%
		1.1.5	Percentage of survey respondents with at least one installed and working smoke alarm	88%
		1.1.6	Percentage of Home Fire Safety Visits delivered in 'medium- and high-risk communities' <sup>5</sup>	40%
		1.1.7	Maintain an organisational relationship satisfaction rate with stakeholders	60%

<sup>5</sup> Medium- and high-risk as designated on Smart Risk – an application that allows 'at-risk' groups, identified in our 'Safer NZ plan', to be shown on an interactive map.

What we will do	Output class	Measures	Target 2021/22
<ul style="list-style-type: none"> <li>• promote fire safety</li> <li>• provide fire prevention services</li> <li>• assist in setting fire safety standards and granting certificates or approvals</li> <li>• ensure compliance with standards through monitoring and enforcement.</li> </ul>	<p><b>Output 1.2 Provide fire prevention services</b></p> <p>We provide fire engineering and technical fire safety advice on building design to government, industry and councils. This includes:</p> <ul style="list-style-type: none"> <li>• processing building consent applications covering the fire engineering design of buildings</li> <li>• approving and monitoring evacuation schemes</li> <li>• advising other regulatory agencies about fire safety compliance.</li> </ul>	<p>1.2.1 Rate of connected PFA false alarms<sup>6</sup> per 100 connections</p>	<60:100 connections
	<p><b>Output 1.3 Assist in setting fire safety standards, and granting certificates or approvals</b></p> <p>Our role as a regulator includes setting standards where we have several responsibilities. These include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• preparing and issuing local area fire plans</li> <li>• prohibiting fire in the open air</li> <li>• granting fire permits</li> <li>• declaring prohibited or restricted fire seasons.</li> </ul>	<p>1.3.1 Percentage of fire permits processed within required time frames<sup>7</sup></p>	95%
	<p><b>Output 1.4 Ensure compliance with standards through monitoring and enforcement</b></p> <p>We have a compliance and enforcement role in standard-setting, with corresponding offence provisions in cases of non-compliance. Examples of non-compliance include:</p> <ul style="list-style-type: none"> <li>• lighting a fire in the open air when prohibited or restricted</li> <li>• failure to provide a fire permit</li> <li>• failure to provide or maintain an evacuation scheme for a relevant building.</li> </ul>		

6 Private fire alarms (PFAs) are connected directly to Fire and Emergency.

7 Five working days – site visit not required; 10 working days – site visit required.

## Output class 2: Fire response and suppression

How we respond to fires influences how well we minimise social, economic and environmental impacts from emergencies, how affected communities recover from fires, and how much they value and trust our services.

Our focus is to deliver timely and effective fire response and suppression services that follow good practice, have a conscientious operational footprint, and where appropriate, work well with partners and stakeholders.

What we will do	Output class	Measures	Target 2021/22
<ul style="list-style-type: none"> <li>respond to structure fires</li> <li>respond to vegetation fires</li> <li>maintain capability to respond to national wildfires</li> <li>support other emergency sector partners to respond to international wildfires.</li> </ul>	<b>Output 2.1 Response to fire</b> Our national service delivery guidelines provide communities with our expected response capability. These guidelines provide targets to ensure we deploy resources efficiently to enable us to intervene as soon as practicable for these types of incidents.	2.1.1 Percentage of structure <sup>8</sup> fires arrived at by career crews within 8 minutes	80%
		2.1.2 Percentage of structure fires arrived at by volunteer crews within 11 minutes	85%
		2.1.3 Percentage of vegetation fires arrived at within 30 minutes (anywhere in NZ)	90%
		2.1.4 All regions to complete a simulation exercise	By 30 June 2022
		2.1.5 Percentage of Communication Centre <sup>9</sup> events dispatched for all incidents in rural environments within 2 minutes of receiving the 111 call	85%
		2.1.6 Percentage of Communication Centre events dispatched for all incidents in urban environments within 90 seconds of receiving the 111 call	85%

<sup>8</sup> Structure fires within urban environments.

<sup>9</sup> 111 fire calls are passed on to one of our three communication centres who provide the essential link between the community and our operational units to respond to the incident.

## Output class 3: Render safe hazardous substances and provide for safety at incidents

The system for managing hazardous substances involves multiple entities. It is therefore important that we are good at what we are responsible for, so that those we serve and work alongside value and trust our services.

Our focus is on our relationships with our hazardous substances stakeholders and partners to improve collaboration and our response expertise. How we respond to hazardous substances events also affects how well we minimise social, economic and environmental impacts from emergencies, and how affected communities recover from these events.

What we will do	Output class	Measures	Target 2021/22
<ul style="list-style-type: none"> <li>• stabilise incidents</li> <li>• render incidents safe</li> <li>• protect people and property endangered by incidents</li> <li>• promote safe handling, labelling, signage, storage and transportation of hazardous substances.</li> </ul>	<p><b>Output 3.1 Response to hazardous substances</b></p> <p>Responding to hazardous substance incidents is a main response function to stabilise the environment and render it safe, and to protect people and property endangered by these types of incidents.</p>	<p>3.1.1 Percentage of hazardous substances incidents arrived at by crews with specialist resources<sup>10</sup> within 60 minutes</p>	85%
	<p><b>Output 3.2 Assist in promoting the safe use of hazardous substances</b></p> <p>We assist in promoting the safe use of hazardous substances in terms of handling, labelling, signage, storage and transportation.</p>		

<sup>10</sup> Specialist resources means attendance by Fire and Emergency personnel with specialist skills or hazmat command vehicles. These are specialised units designed for use at hazardous material incidents and other serious incidents that require an on-site command unit. Each carries a comprehensive range of specialised equipment and resources for this purpose.

## Output class 4: Rescue as a result of transport accidents and urban search and rescue (USAR)

Responding to transport accidents and USAR events involves working with our emergency sector partners. We need to do so collaboratively to maintain and improve our relationships to ensure our services are valued and trusted. How we respond to transport accidents and USAR events also influences how well we minimise social, economic and environmental impacts from emergencies and how affected communities and individuals recover from events.

What we will do	Output class	Measures	Target 2021/22
<ul style="list-style-type: none"> <li>provide response services to rescue persons who are trapped as a result of transport accidents</li> <li>assist by providing crash scene cordoning and traffic control at transport accidents</li> <li>deploy USAR services following serious weather events, other natural disasters and major vegetation fires both within New Zealand and internationally.</li> </ul>	<b>Output 4.1 Response to transport accidents</b> Responding to transport (motor vehicle) accidents is a main response function to rescue persons trapped as a result of this type of incident. We also assist our emergency service partners at the crash scene by providing cordoning and traffic control.	4.1.1 Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes	90%
	<b>Output 4.2 Provide urban search and rescue services</b> Unplanned events are happening more often and becoming more severe. Responding to serious weather-related events, natural hazard events and disasters, and major vegetation fires is a main response function. This means we deploy skilled and specialist USAR teams both nationally and internationally. We maintain this capability through specialised training and equipment caches so we can respond quickly to these types of incidents.	4.2.1 Complete USAR annual exercise to maintain international classification	By 30 June 2022



## Output class 5: Responding to other emergencies, including medical, maritime, other rescues and natural hazard events

How we respond to other emergencies also influences how well we minimise social, economic and environmental impacts from emergencies, and how affected communities and individuals recover from events.

Our focus is to deliver timely response services that follow good practice and contribute to discussions and forums with stakeholders and partners.

What we will do	Output class	Measures	Target 2021/22
<ul style="list-style-type: none"> <li>assist in responding to medical emergencies</li> <li>assist in responding to a wide range of other types of (non-medical-related) emergencies</li> <li>assist in responding to non-transport-related rescue incidents.</li> </ul>	<b>Output 5.1 Assist in responding to medical emergencies</b> Responding to medical emergencies is an additional response function. It is based on 'first- and co-response' levels of expertise to assist our emergency service partners St John and Wellington Free Ambulance. This partnership can help to save lives, particularly as our crews are sometimes the first at the scene of an incident, e.g. an out-of-hospital cardiac arrest. This means they can start cardiopulmonary resuscitation and defibrillation as soon as possible.  Our national service delivery guidelines provide targets to ensure we deploy resources efficiently to respond to these types of incidents as quickly as possible.	5.1.1 Percentage of career crews who respond to medical emergencies <sup>11</sup> within 8 minutes	85%
		5.1.2 Percentage of volunteer crews who respond to medical emergencies within 11 minutes	80%
	<b>Output 5.2 Assist in responding to other (non-medical-related) emergencies</b>  We assist in responding to other emergencies including maritime incidents, severe weather events, natural hazard events and disasters, other non-hazardous -substance-related incidents, and any other situation if we are able to help. We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected data-sets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.		
	<b>Output 5.3 Assist in responding to non-transport-related rescue incidents</b>  Performing rescues is an additional response function and includes line and animal rescues, and rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres, and swift water. This covers rescue incidents other than transport-related accidents. We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected data-sets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.		

<sup>11</sup> Medical emergencies within urban environments

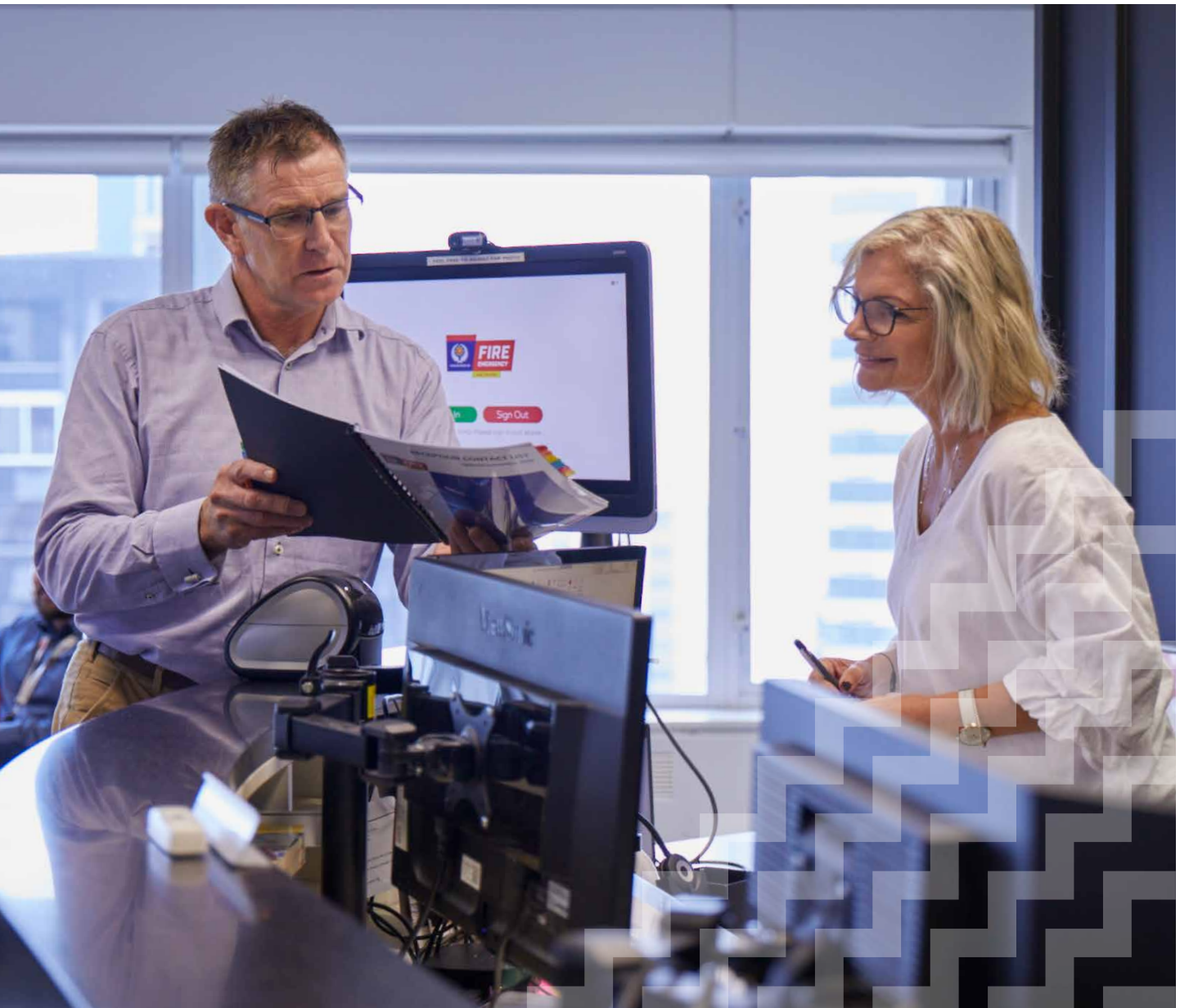
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# Budget and financial statements

Tauākī tahua me te tahua

For the year ended 30 June

- Output class reporting
- Financial overview
  - Prospective statement of comprehensive revenue and expense
  - Prospective statement of changes in equity
  - Prospective statement of financial position
  - Prospective statement of cash flows
  - Statement of accounting policies



# Output class reporting

## Te arotakenga o ngā whāinga

### Cost of the outputs for the year ending 30 June

	Forecast levy receipts	Forecast other revenue	Forecast total expenditure	Surplus/ (deficit)
	\$000	\$000	\$000	\$000
<b>Output class reporting</b>				
<b>1. Fire prevention including promotion of fire safety, compliance and enforcement</b>	<b>107,347</b>	<b>3,479</b>	<b>107,642</b>	<b>3,184</b>
1.1 Promote fire safety	65,072	2,109	65,251	1,930
1.2 Provide fire prevention services	10,594	343	10,623	314
1.3 Assist in setting fire safety standards and granting certificates or approvals	28,525	924	28,603	846
1.4 Ensure compliance with standards through monitoring and enforcement	3,156	102	3,165	94
<b>2. Fire response and suppression</b>	<b>335,232</b>	<b>10,862</b>	<b>336,150</b>	<b>9,943</b>
2.1 Response to fire	335,232	10,862	336,150	9,943
<b>3. Render safe hazardous substances and provide for safety at incidents</b>	<b>13,965</b>	<b>453</b>	<b>14,003</b>	<b>414</b>
3.1 Response to hazardous substances incidents	13,550	439	13,587	402
3.2 Assist in promoting the safe use of hazardous substances	415	13	416	12
<b>4. Rescue as a result of transport accidents and urban search and rescue</b>	<b>76,823</b>	<b>2,489</b>	<b>77,034</b>	<b>2,279</b>
4.1 Response to transport accidents	66,548	2,156	66,730	1,974
4.2 Provide urban search and rescue services	10,275	333	10,303	305
<b>5. Responding to other emergencies, including medical, maritime, other rescues and natural hazard events</b>	<b>82,825</b>	<b>2,684</b>	<b>83,052</b>	<b>2,457</b>
5.1 Assist in responding to medical emergencies	33,339	1,080	33,430	989
5.2 Assist in responding to other (non-medical-related) emergencies	49,109	1,543	49,243	1,408
5.3 Assist in responding to non-transport-related rescue incidents	378	61	379	60
<b>Total cost of outputs</b>	<b>616,191</b>	<b>19,966</b>	<b>617,881</b>	<b>18,276</b>

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# Financial overview

## Whakarāpopoto i te pūtea

### Revenue

Fire and Emergency is primarily funded from levies on property and motor vehicle insurance. Existing levy rates are 10.6c per \$100 sum insured on properties and \$8.45 per motor vehicle insured per year. The Government has refined the scope of the Fire and Emergency funding review. The funding review will now focus on ways to improve an insurance-based funding model. This may involve amendments to the Fire and Emergency New Zealand Act 2017 and introduction of new levy regulations and guidance for levy payers. Fire and Emergency will work with the Department of Internal Affairs in order to prepare for these changes which will come into effect in July 2024.

For the purposes of this SPE, we have assumed that existing funding mechanisms and levy rates will remain unchanged. Total revenue is assumed to increase at the forecast rate of inflation

### Expenditure

Expenditure is forecast to increase by \$0.8 million from \$617.1 million in the 2020/21 SPE to \$617.9 million in 2021/22. The increase is due to:

- ongoing wage increases<sup>12</sup>
- an increase in depreciation
- offset by savings introduced across the organisation.

Costs in general are assumed to increase at the forecast rate of inflation and will be managed to fit within available funding.

### Decrease in cash in 2021/22

The cash reserves in 2021/22 decrease by \$11.3 million from the opening balance of \$125.7 million to \$114.4 million due to \$13.0 million for the repayment of the Crown loan.

### Net surplus

The forecast surplus attributable to the Board for 2021/22 is \$18.3 million. This surplus and the cash reserves are used to:

- fund the organisation's repayment of the Crown loan which amounts to \$39 million<sup>13</sup> over the three years forecast of this SPE and;
- the increased spend on CAPEX over and above depreciation funding for the year (\$49.5 million over the budget and forecast years of this SPE).

In 2020/21, we received up to \$51.3 million of COVID-19 Response and Recovery Funding (CRRF) from the Government. This funding is to be treated as a capital injection. \$19.3 million will be drawn down in 2020/21, leaving \$30.1 million in 2021/22 and \$1.9 million in 2022/23. The corresponding expenditure is capital expenditure and so goes directly to the Prospective statement of financial position. However, the resulting depreciation is unfunded and does impact the net surplus.

### Financial position

Fire and Emergency is forecast to have assets of approximately \$1.5 billion and total liabilities of less than \$190 million.

This reflects the asset-intensive nature of the business and low levels of debt. In order to manage cash flow risks arising from volatility in levy revenue receipts, working capital and the occurrence of a significant adverse event (for example a major earthquake or fire), we have assumed that Fire and Emergency will continue to hold minimum reserves of \$50 million.

Levy revenue appears to have recovered after the initial fall June–August 2020 due to the impacts of COVID-19, although there is still some uncertainty. We will continue to reassess the financial forecast as more information becomes available.

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<sup>12</sup> Any wage increases will reflect [www.publicservice.govt.nz/assets/SSC-Site-Assets/Workforce-and-Talent-Management/Public-Service-Pay-Guidance-2021.pdf](http://www.publicservice.govt.nz/assets/SSC-Site-Assets/Workforce-and-Talent-Management/Public-Service-Pay-Guidance-2021.pdf).

<sup>13</sup> The Crown loan will be repaid at a rate of \$13.0 million a year until the final payment in 2025/26.

## Prospective statement of comprehensive revenue and expense for the years ending 30 June

	Budget 2021/22	Forecast 2022/23	Forecast 2023/24
	\$000	\$000	\$000
<b>Revenue</b>			
Levy	616,191	628,423	640,985
Interest revenue	1,200	1,200	1,200
Other revenue	18,766	18,767	18,767
<b>Total revenue</b>	<b>636,157</b>	<b>648,390</b>	<b>660,952</b>
<b>Expenditure</b>			
Employee and volunteer benefits expenditure	379,051	393,281	403,350
Depreciation	62,021	62,901	62,142
Amortisation	10,957	13,976	14,813
Finance costs	1,243	901	545
Other expenditure*	164,609	164,820	166,499
<b>Total expenditure</b>	<b>617,881</b>	<b>635,879</b>	<b>647,349</b>
<b>Net surplus attributable to the Board</b>	<b>18,276</b>	<b>12,511</b>	<b>13,603</b>
<b>Other comprehensive revenue and expense</b>			
Gains/(losses) on revaluation of land and buildings net of impairment losses	30,000	30,000	30,000
<b>Total comprehensive income attributable to the Board</b>	<b>48,276</b>	<b>42,511</b>	<b>43,603</b>
<b>*Other expenditure</b>			
Fleet	24,530	25,091	25,568
Communications and computer	32,342	33,719	35,925
Occupancy	26,917	26,989	27,388
Operational clothing, equipment and consumables	34,836	34,013	33,206
Travel	12,818	13,304	12,607
Promotional activities	7,381	7,252	7,204
Professional fees	11,419	10,333	10,281
Grants	4,340	4,439	4,539
Insurance	4,258	4,342	4,429
Office equipment and consumables	1,520	1,509	1,505
Research and development	1,894	1,881	1,876
Other operating costs	2,354	1,948	1,971
<b>Total other expenditure</b>	<b>164,609</b>	<b>164,820</b>	<b>166,499</b>

## Prospective statement of changes in equity for the years ending 30 June

	Budget 2021/22	Forecast 2022/23	Forecast 2023/24
	\$000	\$000	\$000
<b>Equity at beginning of year</b>			
Accumulated funds	800,557	818,833	831,344
CRRF funding injection	19,292	49,374	51,300
Revaluation reserves	395,110	425,110	455,110
<b>Total equity at beginning of year</b>	<b>1,214,959</b>	<b>1,293,317</b>	<b>1,337,754</b>
<b>Changes in equity during year</b>			
<b>Transfers from statement of comprehensive income</b>			
Accumulated funds	18,276	12,511	13,603
Revaluation reserves	30,000	30,000	30,000
<b>Total comprehensive income</b>	<b>48,276</b>	<b>42,511</b>	<b>43,603</b>
<b>Transfers from disposal of land and buildings</b>			
Accumulated funds	0	0	0
Revaluation reserves	0	0	0
<b>Total transfers from disposal of land and buildings</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding injection</b>			
CRRF funding injection	30,082	1,926	0
<b>Total funding injection</b>	<b>30,082</b>	<b>1,926</b>	<b>0</b>
<b>Total changes in equity during year</b>	<b>78,358</b>	<b>44,437</b>	<b>43,603</b>
<b>Equity at end of year</b>			
Accumulated funds	818,833	831,344	844,947
CRRF funding injection	49,374	51,300	51,300
Revaluation reserves	425,110	455,110	485,110
<b>Total equity at end of year</b>	<b>1,293,317</b>	<b>1,337,754</b>	<b>1,381,357</b>

## Prospective statement of financial position as at 30 June

	Budget 2021/22	Forecast 2022/23	Forecast 2023/24
	\$000	\$000	\$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	114,401	104,556	99,067
Trade and other receivables	131,251	133,253	135,818
Prepayments	2,210	2,312	2,428
Assets held for sale	422	422	422
<b>Total current assets</b>	<b>248,284</b>	<b>240,543</b>	<b>237,735</b>
<b>Non-current assets</b>			
Property, plant and equipment	1,193,848	1,230,825	1,263,094
Intangible assets	32,819	34,275	35,251
<b>Total non-current assets</b>	<b>1,226,667</b>	<b>1,265,100</b>	<b>1,298,345</b>
<b>Total assets</b>	<b>1,474,951</b>	<b>1,505,643</b>	<b>1,536,080</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	37,568	34,495	35,061
Employee and volunteer benefits	33,681	38,609	38,797
Borrowings	2,243	0	0
Crown funding injection	12,699	12,699	12,699
Provisions	2,155	2,155	2,155
<b>Total current liabilities</b>	<b>88,346</b>	<b>87,958</b>	<b>88,712</b>
<b>Non-current liabilities</b>			
Employee and volunteer benefits	49,156	48,078	46,678
Borrowings	0	0	0
Crown funding injection	38,835	26,555	14,035
Provisions	5,297	5,297	5,297
<b>Total non-current liabilities</b>	<b>93,288</b>	<b>79,930</b>	<b>66,010</b>
<b>Total liabilities</b>	<b>181,634</b>	<b>167,888</b>	<b>154,722</b>
<b>Net assets</b>	<b>1,293,317</b>	<b>1,337,755</b>	<b>1,381,358</b>
<b>Equity</b>			
Accumulated funds	818,833	831,344	844,947
CRRF funding injection	49,374	51,300	51,300
Revaluation reserves	425,110	455,110	485,110
<b>Total equity</b>	<b>1,293,317</b>	<b>1,337,754</b>	<b>1,381,357</b>

## Prospective statement of cash flows for the years ending 30 June

	Budget 2021/22	Forecast 2022/23	Forecast 2023/24
	\$000	\$000	\$000
<b>Cash flows from operating activities</b>			
Receipts from levy	613,690	625,901	638,385
Receipts from other revenue	22,221	19,085	18,603
Interest received	1,165	1,200	1,200
Net GST received/(paid)	0	0	0
Payments to employees and volunteers	(383,061)	(387,955)	(403,065)
Payments to suppliers for goods and services	(170,956)	(165,028)	(166,632)
<b>Net cashflows from operating activities</b>	<b>83,058</b>	<b>3,204</b>	<b>88,490</b>
Proceeds from sale of PP&E	0	0	0
Purchase of property, plant and equipment	(96,620)	(74,083)	(65,135)
Purchase of intangible assets	(13,522)	(15,433)	(15,729)
<b>Net cash generated from/(used) in investing activities</b>	<b>(110,142)</b>	<b>(89,516)</b>	<b>(80,863)</b>
Interest paid	(218)	(218)	(116)
Payments on finance leases	(1,092)	(2,243)	0
Proceeds from Funding Injection	0	0	0
Repayments of Funding Injection	(13,000)	(13,000)	(13,000)
Proceeds from Capital Injection	30,082	1,927	0
Sale and leaseback of assets	0	0	0
<b>Net cashflows from financing activities</b>	<b>15,772</b>	<b>(13,534)</b>	<b>(13,116)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(11,311)</b>	<b>(9,846)</b>	<b>(5,489)</b>
Cash and cash equivalents at the beginning of the year	125,713	114,401	104,556
<b>Cash and cash equivalents at the end of the year</b>	<b>114,401</b>	<b>104,556</b>	<b>99,067</b>





## Statement of accounting policies

### Reporting entity

Fire and Emergency New Zealand is a body constituted under the Fire and Emergency New Zealand Act 2017 (the Act). Fire and Emergency New Zealand is a Crown entity as defined by the Crown Entities Act 2004. The primary objective of Fire and Emergency is to reduce the incidence of unwanted fire and the associated risk to life and property, and through its main and additional functions to protect and preserve life, prevent or limit injury, and to prevent or limit damage to property, land and the environment. The organisation has designated itself as a public benefit entity (PBE) for financial reporting purposes.

These forecast financial statements for the Fire and Emergency are for the years ending 30 June 2022, 2023 and 2024.

### Basis of preparation

#### Statement of compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They have also been prepared in accordance with Tier 1 PBE accounting standards.

#### Presentation currency and rounding

These prospective financial statements are presented in New Zealand dollars (NZD), and all values are rounded to the nearest thousand dollars (\$000).

#### Critical accounting assumptions

In preparing these prospective financial statements Fire and Emergency has made estimates and assumptions concerning the future. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any changes to estimates are recognised in the period as they are realised.

## Significant accounting policies

The financial statements have been prepared following the accounting policies and have been consistently applied.

#### Revenue

Fire and Emergency measures revenue at the fair value of consideration received or receivable.

Levy – Levy revenue is recognised on an accrual basis as per the requirement of PBE IPSAS 23.

Interest revenue – Interest revenue is recognised using the effective interest rate method.

Rental revenue – Rental received under operating leases is recognised as revenue on a straight-line basis over the term of the lease.

#### Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Fire and Emergency are classified as operating leases.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of comprehensive revenue and expense. Lease incentives received are recognised in the Statement of comprehensive revenue and expense and expensed over the lease term as an integral part of the total lease expense.

#### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. Finance leases are recognised at the commencement of the lease term as assets and liabilities at the lower of the fair value of the leased item or the present value of the minimum lease payments. The amount recognised as an asset is depreciated over the shorter of the lease term and its useful life. Where a sale and leaseback transaction results in a finance lease, the gain on sale is calculated as the excess of sale proceeds over the carrying amount of the asset.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

## Bank term deposits

Investments in bank term deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

## Property, plant and equipment

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Assets are classed as land, buildings, leasehold improvements, fire appliances, motor vehicles, communications, computer, operational equipment and non-operational equipment. Costs are capitalised as property, plant and equipment when they create a new asset or increase the economic benefits over the life of an existing asset.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset less any disposal costs. Gains and losses on disposals are included in the Statement of comprehensive revenue and expense.

When assets are disposed of, any related amount in the asset revaluation reserve is transferred to accumulated funds.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of comprehensive revenue and expense.

## Revaluations

After initial recognition, land and buildings are valued annually to fair value by an independent registered valuer. On revaluation, any accumulated depreciation is eliminated against the gross carrying amount, which is then adjusted to equal the revalued amount. The result of the revaluation is recognised in the asset revaluation for that class of asset.

## Depreciation

Depreciation is charged to the Statement of comprehensive revenue and expense on all property, plant and equipment other than land and work in progress.

Depreciation is calculated on a straight-line basis at rates estimated to write off the cost (or valuation) of an asset, less any residual value, over its useful life.

Estimated useful lives and associated depreciation rates for asset classes are:

Buildings	10–70 years	1–10%
Fire appliances	10–30 years	3–10%
Motor vehicles	4–20 years	5–25%
Communications equipment	5–10 years	10–20%
Computer equipment	4–10 years	10–25%
Operational equipment	4–12 years	8–25%
Non-operational equipment	5–15 years	7–20%
Leasehold improvements	3–10 years	10–33%

## Intangible assets

Intangible assets comprise computer software and the Shared Information Technology Environment (SITE).

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Included are the benefits of leases for rural properties with minimal rent, which were transferred to Fire and Emergency on amalgamation. This benefit is recognised at fair value less accumulated amortisation.

## Computer software

Costs are capitalised as computer software when they create a new asset or increase the future economic benefits of an existing asset. Costs capitalised for acquired computer software licences include the costs incurred to acquire and bring it into use.

Costs capitalised for internally developed computer software include the costs incurred in the development phase only. Expenditure incurred on research is recognised in the Statement of comprehensive revenue and expense, as well as costs that do not meet the criteria for capitalisation (including personnel training and software maintenance).

## Shared Information Technology Environment

SITE is a systems and technology platform that supports receiving calls and dispatching resources to emergency incidents. The asset represents the organisation's proportional ownership of SITE located at communication centres shared with the New Zealand Police (Auckland, Wellington and Christchurch). These SITE assets include computer-aided dispatch software, a land mobile radio network and associated telecommunications structures. The New Zealand Police maintains SITE and proportionally charges the organisation. This charge is recognised in the Statement of comprehensive revenue and expense.

## Amortisation

Amortisation is charged to the Statement of comprehensive revenue and expense on a straight-line basis at rates estimated to write off the cost of an asset, less any residual value, over its useful life.

Estimated useful lives and associated amortisation rates for asset classes are:

Computer software internally generated	4–10 years	10–25%
Computer software purchased	4–10 years	10–25%
SITE	4–10 years	10–25%
Benefits on leases on rural property	1–2 years	5–100%

## Impairment of non-financial assets

The carrying amounts of property, plant and equipment, and intangible assets are reviewed annually to determine if there is any impairment. Impairment is where events or changes in circumstances occur that result in the carrying amount of an asset not being recoverable. An impairment loss is the amount by which the asset's net carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment losses on revalued land and buildings are treated as revaluation decreases. Impairment losses on other property, plant and equipment are recognised in the Statement of comprehensive revenue and expense.

## Trade and other payables

Short-term creditors and other payables are recorded at their face value.

## Employee and volunteer entitlements

A provision for employee and volunteer benefits is recognised as a liability when the benefits have been measured but not paid.

Benefits to be settled within 12 months of balance date are calculated at undiscounted current rates of pay according to the amount of the accrued entitlements.

Benefits that are payable beyond 12 months, such as long service leave, retirement leave and gratuities for both paid personnel and volunteers, are calculated on an actuarial basis. The actuarial calculation takes into account the future entitlements accruing to staff.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees. Movements in the actuarial valuations are recognised in the Statement of comprehensive revenue and expense.

## Superannuation schemes

### Defined contribution schemes

Contributions to KiwiSaver, the State Sector Retirement Savings Scheme, the New Zealand Fire Service Superannuation Scheme and the National Provident Fund are accounted for as defined contribution superannuation schemes and are expensed in the Statement of comprehensive revenue and expense as they fall due.

### Defined benefit schemes

Fire and Emergency makes contributions to the National Provident Fund Defined Benefit Plan Contributors Scheme (the Scheme), which is a multi-employer defined benefit scheme. It is not possible to determine from the terms of the Scheme the extent to which the surplus/(deficit) will affect future contributions by individual employers, as there is no prescribed basis for allocation.

Although this is a defined benefit scheme, there is insufficient information to account for the Scheme as a defined benefit scheme. Therefore, the Scheme is accounted for as a defined contribution scheme.

### Goods and services tax

Figures reported in the financial statements are exclusive of goods and services tax (GST), with the exception of receivables and payables, which are disclosed as GST-inclusive.

Where GST is not recoverable, it is recognised as part of the related asset or expense.

The net amount of any GST balance, either recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the Statement of financial position.

The net GST paid to, or received from, the IR (including the GST relating to investing and financing activities), is classified as an operating cash flow in the Statement of cash flows.

### Income tax

Fire and Emergency is exempt from income tax in accordance with the Income Tax Act 2007 and the Fire and Emergency New Zealand Act 2017. Accordingly, no provision has been made for income tax.



### Property, plant and equipment useful lives and residual values

The useful life and residual values of property, plant and equipment, and intangible assets are reviewed at each balance date. To assess the suitability of useful life and residual value estimates, Fire and Emergency must consider a number of factors, such as the physical condition, expected period of use and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciation or amortisation expense recognised in the Statement of comprehensive revenue and expense, and the carrying amount of the asset in the Statement of financial position.

Fire and Emergency minimises the risk of this estimation process by:

- performing asset verifications
- revaluing land and buildings
- conducting impairment testing
- having an asset replacement programme.

Fire and Emergency has not made significant changes to past estimates of useful lives and residual values.

### Financial instruments

Fire and Emergency is party to financial instruments as part of its normal operations. Financial instruments include financial assets and liabilities.

Financial instruments are initially recognised at fair value plus transaction costs. Subsequent measurement of financial instruments is dependent upon the classification determined by the organisation at initial recognition.

Financial instruments are classified into categories based on the purposes for which they were acquired.

### Statement of cash flows

The make-up of cash and cash equivalents for the purposes of the Statement of cash flows is the same as cash and cash equivalents in the Statement of financial position. The Statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows.

### Capital intentions

The organisation is forecasting to purchase office equipment, information technology items, building fit-out, furniture and fittings and motor vehicles/fire appliances during the period covered by this SPE.







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