



Annual Report

Pūrongo ā-Tau

For the year ended 30 June 2022



Year in review

He tirohanga ki ētahi hua i tauhouanga nei

Contents Ngā ihirangi

3	Year in review	42	Building the business
5	Foreword	43	Building a fit-for-purpose property network
8	Our year at a glance	44	Case study: Christchurch City Fire Station
10	Who we are and what we do	45	Managing our fleet
14	Our commitment to Māori as tangata whenua	45	Improving equipment and logistics
16	Our approach to this year's Annual Report	46	Enhancing our digital environment
18	Our Performance Measurement Framework	46	Lifting portfolio, programme and project management maturity
20	Delivering for Aotearoa	47	Developing our response to climate change
21	Responding to incidents	48	Our performance
22	Showing service delivery resilience during times of challenge	49	Statement of performance
23	Case study: Waiharara fire	58	Output class reporting
24	Investing in our risk reduction activities	62	Our financials
27	Working in and with our communities	63	Statement of responsibility
29	Case study: Building resilience	64	Independent Auditor's report
30	Standing up a new structure to support delivery	68	Financial commentary
31	Using strategic tools to inform our operations	72	Statement of financial performance
31	Delivering All-of-Government responses	73	Statement of other comprehensive revenue and expense
32	Developing our people	74	Statement of financial position
33	Lifting our workplace capability and competency	75	Statement of changes in equity
34	Improving diversity in our organisation	76	Statement of cash flows
35	Case study: Lifting our cultural competency	77	Reconciliation of net surplus/(deficit) to net cash flow from operating activities
36	Our people profile	78	Notes to the financial statements
38	Valuing and recognising our volunteers	113	Governance
38	Supporting our new Service Delivery leaders to succeed	114	Our Board
39	Building a safer and more supportive workplace		
39	Progressing the Behaviour and Conduct Office		
40	Developing tools to enhance the safety, health and wellbeing of our firefighters		
41	Improving our engagement		

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

Purpose | Kaupapa

Protecting and preserving lives, property and the environment
Te whakamaru me te tiaki i ngā tāngata, rawa me te taiao

Vision | Matakitenga

Stronger communities protecting what matters
Ngā hapori kaha ake e whakamaru ana i ngā mea hira

Values | Ngā uara

-  We do the right thing – Kia tika
-  We serve and support – Manaakitanga
-  We are better together – Whanaungatanga
-  We strive to improve – Auahatanga



Foreword Kupu whakataki

Strengthening our services across Aotearoa Whakapakarihia ana ā mātou ratonga puta atu i Aotearoa

On behalf of the Fire and Emergency New Zealand Board, it's my pleasure to present our 2021/22 Annual Report.

We've delivered a substantial programme of work for our people and communities this year, as we continue to progress towards the objectives laid out in our National Strategy, 10-Year Plan and Statement of Intent. Our purpose of protecting and preserving lives, property and the environment continues to drive us, and the stories in this report are testament to that. It gives me great pride to see all that has been achieved in the name of creating a safer New Zealand. With 637 fire stations, we're at the heart of communities right across Aotearoa and the value of our mahi continues to be evident.

Early in the year, we realised a significant milestone in our unification journey with the implementation of our new District management structure. It's encouraging to see how it is already creating opportunities for local leadership and enabling the delivery of services more tailored to the needs of the diverse communities we serve.

Ensuring local voices are present in our decision-making is essential and it was also important to reflect on one year of our Local Advisory Committees, to acknowledge the value they contribute and identify how we can improve the way we work together.

But, of course, the last 12 months have not been without challenges. Particularly as they played out against the backdrop of COVID-19. Maintaining our operational capacity while keeping our people, and those we support safe, continued to be our top priority throughout. This was achieved by providing our people with the tools, guidance and resources they needed to carry out their mahi effectively, while closely monitoring and responding to the impacts on brigades around the country. I'd also like to acknowledge the valuable contribution of the unions and associations who supported our people through this time and the partnership of our colleagues in the broader emergency sector.



During the year, we said farewell to former Chief Executive, Rhys Jones. I'd like to take this opportunity to thank him for his incredible service to Fire and Emergency. As the organisation's first leader, he built strong foundations and played a fundamental role in getting us to where we are today.

I was also delighted to appoint Kerry Gregory as our new Chief Executive to lead the organisation forward into its next chapter. It's great to see the focus areas he has already established to accelerate our development and ensure we are well prepared to face the challenges of the future.

Of course, the outcomes we seek cannot be achieved alone, and the past year has once again demonstrated the importance of collaboration and working constructively with those who share our commitment to look after the people of Aotearoa. We recognise our impact will be that much greater and our mahi much more effective, if we work alongside stakeholders and communities to deliver our services. This was reflected in our work across risk reduction, readiness, response and recovery this year, reinforcing why building and maintaining these key relationships will always remain a focus.

Finally, my thanks go to our people, the incredible team who are the heart and driving force of Fire and Emergency. They make Fire and Emergency what it is and should absolutely be commended for their outstanding service and immense efforts whether on the front line, or as part of the support crew.

Rebecca Keoghan
Board Chair

Delivering together through times of change

E whakarato tahi ana i te wā o te panoni haeretanga

While so much of the world changes, delivering a strong, effective fire and emergency service for Aotearoa is more important than ever. Every day we're out there doing right by communities, and although the types of services we provide are always evolving and developing, the work we do remains vital to keeping New Zealand safe.

I'm incredibly proud of what we've achieved over the past year in the delivery of our core services to communities, in the support we provide to our people, and in building an efficient, sustainable business to support those services.

As you'll see on page 9, we responded to 85,425 incidents over the year, which included a number of major responses across the country. The most significant of these being the Waiharara fire, which saw our people from around the country working alongside our partners, iwi and the local community in what was a 52-day response.

This devastating wildfire may sadly be a sign of things to come, with New Zealand predicted to become hotter and drier in many places as a result of climate change. Extreme weather is unfortunately becoming a feature of our environment, and the related incidents our firefighters and urban search and rescue teams have attended, show we're already seeing the impacts on communities at home and beyond. There's no denying our mahi is changing as a result, and our Climate Response Strategy developed in the past year looks at how we will manage our carbon footprint and respond to the challenges this new environment presents.

With risks increasing, our reduction and community readiness work becomes more important than ever. It's encouraging to see the innovative, award-winning, data and intelligence-driven initiatives coming out in this space, including our Te Pae Tata programme which looks at key issues and opportunities ranging from the use of firebreaks, to communicating wildfire danger, to automated satellite-based grass curing methods.

The uncertainty of the evolving COVID-19 environment once again continued to be a strong presence throughout the year, creating new challenges for our organisation, our people, and our work in communities. However, despite the difficulties, the strong procedures and processes we had in place meant we could keep our people safe while continuing to deliver for Aotearoa.

The stand-up of a new District management structure was a major highlight of the past 12 months and a significant step in creating a truly integrated fire and emergency service for Aotearoa – one of the key intentions of the Fire and Emergency New Zealand Act. The change supports our unification, creates alignment and enables us to progress our vision for services that are nationally enabled, regionally coordinated and locally delivered.

Of course, none of this could be achieved without our remarkable team of over 14,500 across the motu, who are dedicated to serving their communities.

The introduction of our Te Aho Tapu Framework was a huge step forward to enhance our cultural capabilities alongside the ongoing work through our Hiwa-i-te-rangi programme.



In the research field we completed a two-year study, focused on the early years of a volunteer's experience, the findings of which we'll use to improve outcomes for all our volunteers. We've also worked to better understand the attitudes and behaviours of the public regarding fire safety and used this research to inform our campaigns and create positive behaviour change.

To support our ongoing commitment to eliminating poor behaviours in our organisation and building a positive, values-based workplace culture, we implemented our permanent Behaviour and Conduct Office. This was a significant achievement. We also established our Dispute Resolution Scheme for volunteers and members of the public, providing an independent, transparent process for resolving disputes with Fire and Emergency and further strengthening the principles of accountability and fairness that guide how we operate.

It's crucial our people have the tools, resources and systems they need to do their jobs safely and effectively. Our investment in station rebuilds and upgrades, training facilities, ICT enhancements, equipment and new additions to our fleet have improved our resilience and set us up well for the challenges of coming years.

The injection of funding from the Government's COVID-19 Response Recovery Fund has been put to excellent use with 19 upgrades and rebuilds completed this year under the three-year programme, supporting our focus on fit-for-purpose and consistent property network across the country.

Our fleet also received a boost with the acquisition of 35 new trucks, which are now in use, and have progressed the procurement process to replace our aerial fire trucks.

Our delivery in these areas was all the more remarkable, given the supply chain challenges and cost escalations caused by COVID-19.

Finally, this year, I had the honour of being appointed Tumu Whakarae/Chief Executive of Fire and Emergency New Zealand. It is a great privilege and responsibility to lead the organisation into its next phase and serve our people, and Aotearoa in this capacity.

After commencing in the role, I established five areas on which we will focus our attention. You'll see these represented on page 15 as a waharoa/gateway, with the five components providing a cohesive and strong structure to guide us forward.

As we look ahead to the coming year, I'm excited about delivering on these focus areas and building further on the strong foundations we've set in place since our establishment. With momentum behind us and an extraordinary team of dedicated people, I'm confident we will continue to deliver the world-class emergency service that Aotearoa deserves now, and for generations to come.

A handwritten signature in black ink, reading "Kerry Gregory". The signature is fluid and cursive.

Kerry Gregory
Chief Executive

OUR YEAR AT A GLANCE

HE KARAPATANGA KI TE TAU KUA PĀHEMO

DELIVERING FOR AOTEAROA



RESPONSE TO SIGNIFICANT EVENTS

- Responded to large and complex incidents, reflecting a genuine display of whanaungatanga. Our firefighters, management and support people, iwi and emergency partners pulled together to prevent loss of life and minimise damage to property and the environment.

MAINTAINED CAPABILITY THROUGH THE COVID-19 PANDEMIC

- Adapting quickly to the requirement of all firefighters to be vaccinated under the COVID-19 Public Health Response (Vaccinations) Order 2021, while maintaining operational capability right across Aotearoa, was a huge undertaking.
- Introduced required protocols when the Alert Level Framework changed to the COVID-19 Protection Framework – to maintain our capability and provision of emergency services across the motu.

SERVICE DELIVERY IMPROVEMENTS

- Stood up a new Service Delivery management structure, replacing a historic structure of 24 urban areas and 18 rural fire Districts, with 17 new Districts across five Regions.
- Established a programme of 12 dedicated projects to help reduce risk in communities through improved systems, processes, frameworks, guidance and communication.

DEVELOPING OUR PEOPLE

POSITIVE AND INCLUSIVE CULTURE

- Launched Hiwa-i-te-rangi, our Māori Outcomes Programme, to help us improve our services by building a better understanding of Māori culture.
- Launched Te Aho Tapu, our Cultural Capability Framework, to help us become more confident and proficient in the fundamentals of te ao Māori.
- Progressed the permanent Behaviour and Conduct Office | Whakamarumarū Tāngata to help build a values-based culture where we hold ourselves to account and call out unwanted interpersonal behaviour.



- Developed and delivered training courses to grow capabilities, expand knowledge, and to better respond as an emergency service.

2,400

training courses delivered to

18,124

attendees

BUILDING THE BUSINESS

IMPROVING OUR ASSETS

Property

- Completed new builds and upgrades of 19 stations across the motu through COVID-19 and building industry supply challenges.

Fleet

- Acquired 35 new fire trucks which are now in use.
- Progressed the procurement of four high-reach aerial fire trucks and the next generation of fire trucks.

ICT

- Improved our cyber security to protect the organisation from external threats.
- Installed 200 tablets in fire trucks, ensuring our people have the latest information when they need it.

Equipment and logistics

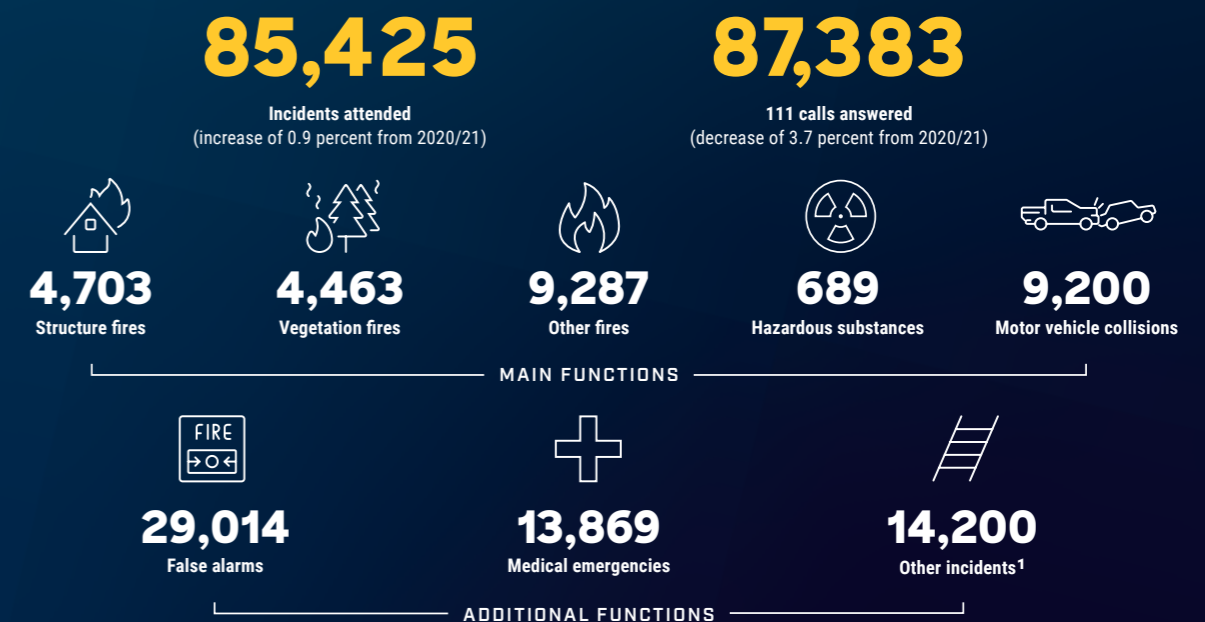
- Delivered a modern multi-functional Equipment and Logistics Centre in Tauranga.

REDUCING OUR EMISSIONS

- Received recertification under the Toitū Carbonreduce Programme, the third year we have been certified – demonstrating we are actively working to measure and manage our carbon footprint.



INCIDENTS RESPONDED TO IN 2021/22



False alarms accounted for 34 percent of all incidents attended – the single largest response activity.

To help address this, we have committed to reducing fire truck movements to unwanted alarm² events by 10 percent over the next three years 2022–2025. In addition, we are actively working with building owners to reduce multiple unwanted false alarms in their buildings which complements our aim to reduce false alarm incidents attended.



¹ Other incidents include special services assisting the public and incidents that have not been categorised as a specific incident type at the time of data collection. Special service calls include rescues and assisting with evacuations.

² An unwanted alarm results from any call attended by a fire brigade where there is no genuine fire or other emergency requiring intervention to prevent injury, death, loss or damage to property, land or the environment.

Who we are and what we do Ko wai mātou me ngā mahi ā tari

Fire and Emergency New Zealand is a team of over 14,500 dedicated people providing a national fire and emergency service across Aotearoa.

With 637 fire station sites³ and 1,284 fire trucks across the motu, we are honoured to be an integral part of communities, keeping them safe and supporting them to protect what matters – lives, property and the environment. We work with communities across the '4Rs' of reduction, readiness, response and recovery, to help them prepare for, respond to and recover well from emergencies.

We are there for people when they need us and are committed to working with partners, iwi, Māori, stakeholders and those we support to ensure we deliver our services effectively for Aotearoa.

Our statutory remit

The work we do is critically important. We are governed by the Fire and Emergency New Zealand Act 2017 (the Act), which mandates our two main areas of responsibility:

- our emergency management functions
- our role as a regulator.

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

Our role as a regulator is focused on fire safety and fire-related offences. This includes:

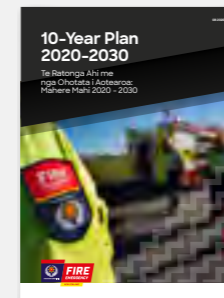
- a range of activities including setting fire seasons and issuing fire permits
- a compliance and enforcement function
- issuing infringement notices and prosecuting certain regulatory offences.

Our National Strategy (our Strategy), 10-Year Plan and Statement of Intent (SOI) show how we are building a unified organisation. Our values underpin the work we deliver for our diverse communities across Aotearoa.



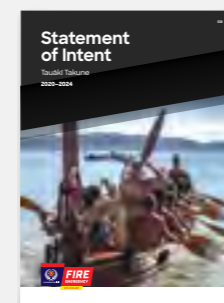
Our National Strategy 2019–2045

Our long-term strategic direction to build a unified Fire and Emergency and meet challenges presented by the changing operational environment.



Our 10-Year Plan 2020–2030

The most important things we need to do over the next decade to achieve our Strategy, and the benefits our work will deliver for our communities.



Our Statement of Intent 2020–2024

Our commitment over the medium term to build a unified organisation that works with communities to help reduce risk and prepare for, respond to and recover quickly from emergencies.

Our values



We do the right thing
Kia tika



We serve and support
Manaakitanga



We are better together
Whanaungatanga



We strive to improve
Auahatanga

³ 'Fire station sites' means all our operational stations and depots around Aotearoa.

Our network

We are a national organisation and have a strong presence throughout Aotearoa. As at 30 June 2022, we have 637 station sites, over 14,500 personnel⁴ and 1,284 fire trucks.

Our network helps us to protect and preserve lives, property and the environment.



⁴ Includes career and volunteer firefighters, management and support, brigade support and operational support. Personnel data that is reported as FTE (full-time equivalent) is rounded to the nearest whole number. See page 36 Our people profile for more information.





What we do






Ko ā mātou mahi

Our emergency management functions





Principal objectives

-  Reducing the incidence of unwanted fires and the associated risk to life and property
-  Protecting and preserving life, and preventing or limiting injury, damage to property, land and the environment

Main functions

-  Promoting fire safety
-  Providing fire prevention, response and suppression services
-  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, disasters, and non-hazardous substance incidents
-  Promoting safe handling, labelling, signage, storage, and transportation of hazardous substances
-  Rescues including line rescues, animal rescues, rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres and swift water
-  Providing assistance at transport accidents

Our commitment to Māori as tangata whenua Tā mātou tauākī paiherenga ki te Māori hei tangata whenua

Māori are tangata whenua of Aotearoa and have a special role as kaitiaki (guardians) of the environment. Fire and Emergency honours and respects the relationship of Māori to the land and as hapori (community) leaders. We recognise Māori are significant partners in our organisation's mahi, who play an important role in fire prevention, building community resilience and informing emergency responses across the motu.

Central to our commitment in working with Māori as tangata whenua is a need to reflect our strategic intent across all parts of the organisation to ensure our mahi is successful and sustainable.

Underpinning the delivery of this mahi is Hiwa-i-te-rangi, our Māori Outcomes Programme, which we launched during Matariki, Māori New Year in July 2021. It is named after the ninth star of Matariki, symbolising growth and aspirations. This is an important kaupapa for the organisation as it realises the commitment we made in 2018 to working with Māori as tangata whenua.

We have undertaken significant work to lift our cultural capability so our people can become more confident and proficient in the fundamentals of strengthening relationships with iwi and Māori. Examples include:

- launching He Tīmatanga Kōrero, an introductory guide to Kaupapa Māori to support the organisational capability development of our people
[See page 33 He Tīmatanga Kōrero for more information.](#)
- launching Te Aho Tapu, our Cultural Capability Framework, which supports our people with tools to grow confidence with te reo and tikanga knowledge.
[See page 35 Lifting our cultural competency for more information.](#)

We are focused on building strong relationships with iwi around Aotearoa through our local brigades and Pou Takawaenga Māori. This mahi helps us to better understand the hapori (communities) we serve, bringing to life our commitment through the design and delivery of tailored fire and emergency services that meet their unique needs. This creates better outcomes for Māori and future generations.

The strength of partnerships between local iwi and Fire and Emergency has been incredibly valuable over the past year. Examples include:

- our response to major events such as the Waiharara fire in Te Tai Tokerau, providing the basis for an enduring relationship with Ngāi Takoto iwi, the Department of Conservation (DOC) and our people
[See page 23 Waiharara fire case study for more information.](#)
- ensuring our fire safety messaging and learning is designed for tamariki and their whānau in schools and kura kaupapa
[See page 28 Delivering national school education programmes for more information.](#)
- engaging with Crown Infrastructure Partners on a project to help install smoke alarms in marae across Aotearoa as part of the Marae Digital Connectivity Programme
[See page 28 Working to protect marae with new safety app for more information.](#)
- providing an inclusive organisation through developing the Kia Toipoto action plan to make progress in closing pay gaps and creating fairer workplaces for all.
[See page 34 Advancing Kia Toipoto for more information.](#)



Te waharoa

Our five focus areas are represented here as a waharoa or gateway to our organisation. The waharoa provides clarity and focus on our priorities to anyone entering the Fire and Emergency 'marae'. Each of these focus areas is represented by the five components of the waharoa and together they provide a cohesive and strong structure.



Intelligence driven

poutama

The poutama reflects our organisation's commitment to better understanding and improvement through learning and achievement



Training and development

pūhoro

The pūhoro reflects fortitude, speed and agility that prepares us for any task at hand



Health, safety, wellbeing and people support

koro

Placed at the apex of the structure to reflect its importance, the koro design represents growth, protection and nurturing of our people



Kaupapa Māori

mangōpare

The mangōpare symbolises strength, agility and tenacity to reflect our organisation's commitment to working with Māori to create safer, more resilient communities



Stronger alignment

takitoru

Takitoru symbolises the communication and connectivity between people, teams and strategies to create a well-informed organisation.

Our approach to this year's Annual Report Tā mātou kawē ki tēnei Pūrongo ā-Tau

This year's Annual Report demonstrates our performance over the 2021/22 financial year against our reportable outputs in the Statement of Performance Expectations 2021/22, and our achievements towards the delivery of our Statement of Intent 2020–2024.

Our day-to-day services and activities are featured through the important work we do with communities across the 'four Rs' – reduction, readiness, response and recovery – to help them prepare for, respond to and recover well from emergencies.

This year's Annual Report tells our performance story in three sections which are described on the next page. These sections underpin our Performance Measurement Framework (PMF), which is shown on pages 18 and 19; and align with our strategic priorities.

Icons are used to show the links to our strategic priorities in the PMF.



Delivering for Aotearoa Kia whai hua a Aotearoa

Responding to and preventing incidents is strengthened across the motu by working together through collaboration, partnership, and influence with our hapori (communities).

- **Building resilient communities | Te hanga hapori aumangea:** Through our continued efforts, we have worked to reduce the incidence and impact of fire across the motu through our risk reduction initiatives, and have strengthened response capability, hapori preparedness and recovery activities.
- **Collaboration, partnerships and influence | Te mahi tahi, ngā rangapū, me te aweawe:** We have strengthened our relationships with iwi, Māori, our sector partners, and communities through a shared focus on deliverables and outcomes.



Developing our people Te whakawhanake i ā mātou tāngata

Providing a safer, supportive and more inclusive workplace supports our people to grow and be successful.

- **Growing our people | Te whakatipu i ā mātou tāngata:** We have worked to further develop our organisation by valuing our people, through developing a more positive flexible workplace and lifting our cultural competency. We continue to update processes to provide safety, health and wellbeing for our people as the environment changes.



Building the business Te hanga i te pakihi

Improving our assets supports the efficient and consistent delivery of services across Aotearoa, and to keep pace with the changing environment and technologies through intelligence-led, evidence-based decisions.

- **Intelligence-led, evidence-based decisions | He whakatu whakamātautau ā-taunakitanga, āriahi ā-atamai:** Using data collected from across the organisation, hapori and sector partners has helped us to make informed decisions to confirm our priorities, allocate resources, and better enable our financial stewardship, programme management and evaluation.
- **Keeping pace with change | Te haere tahi ki ngā hurihiritanga:** Being responsive to the changing environment, we have delivered significant initiatives to improve the management of our assets including property, fleet, ICT, and equipment and logistics.

For each section, we have aligned our mahi with the relevant strategic priorities and outcomes identified in our PMF on the next two pages.

Our Performance Measurement Framework Tā Mātou Pou Tarāwaho Ine Angitū

Our Performance Measurement Framework sets out key aspects of our services and activities and the impacts we want to have in our communities. It helps us track the progress we are making towards our outcomes and strategic priorities.

Our desired **outcomes**

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

Our current **impacts**

Intermediate steps to achieving our outcomes

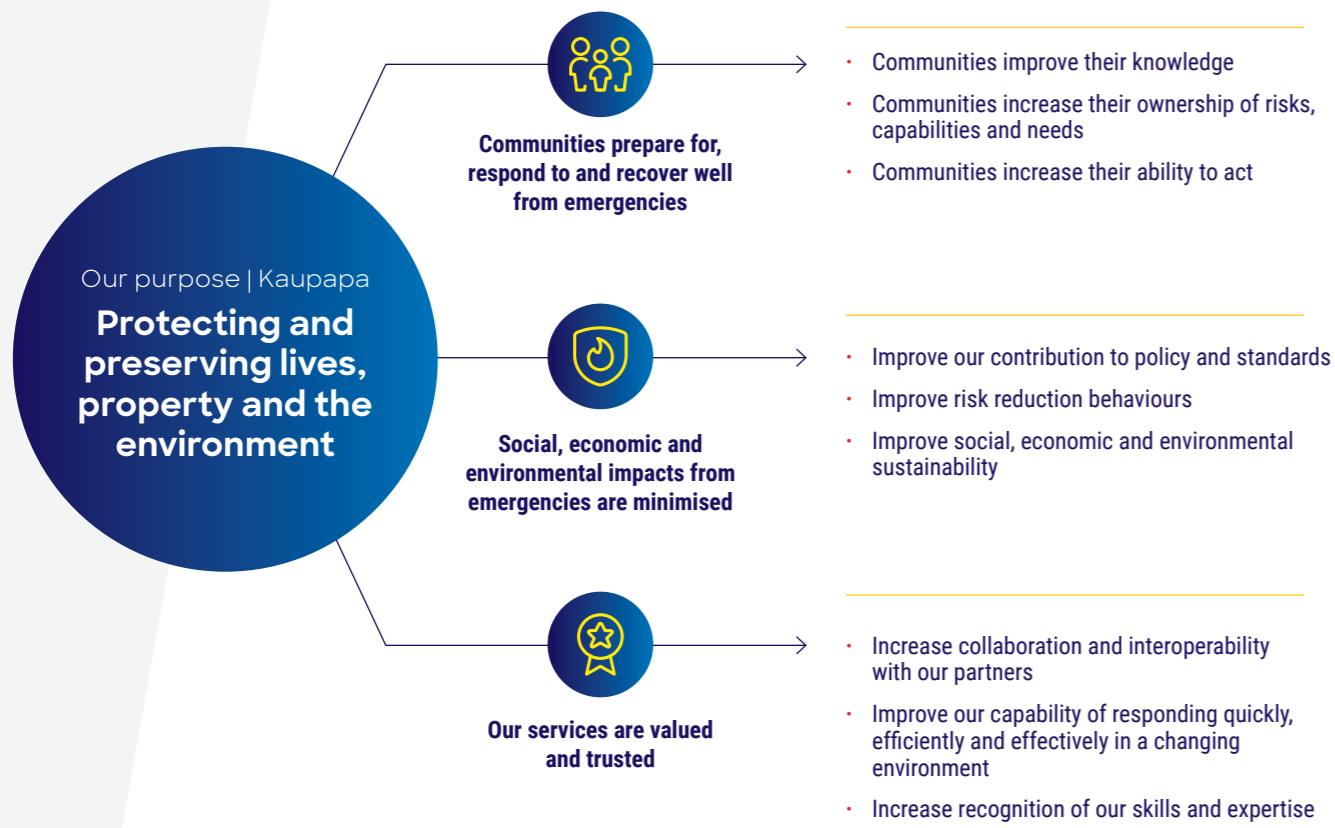
Our day-to-day **outputs**

Our services and activities

Our resource **enablers**

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

Our vision: Stronger communities protecting what matters



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



People and culture



Systems and processes



Assets and infrastructure

Our strategic priorities



Building resilient communities



Collaboration, partnerships and influence



Growing our people



Intelligence-led, evidence-based decisions



Keeping pace with change

Our performance story



Delivering for Aotearoa



Developing our people



Building the business



KIA WHAI HUA
A AOTEAROA
**DELIVERING
FOR
AOTEAROA**

Preventing and responding to incidents is strengthened by working together through collaboration, partnership, and influence with our hapori. Every day our people are out delivering fire and emergency services for Aotearoa, to help communities prepare for, respond to and recover well from emergencies.

This year, we focused on working collaboratively to deliver shared outcomes which have empowered our communities and sector partners, to identify local risks and reduce the future effect of them. This work includes:

- responding to incidents
- responding together with our sector partners and communities
- showing service delivery resilience during times of change
- investing in our risk reduction activities
- working in and with our communities, and communicating well with them
- delivery of Hiwa-i-te-rangi, our Māori Outcomes Programme⁵
- building resilience with our communities
- standing up a new structure to support delivery
- using strategic tools to inform our operations
- delivering All-of-Government responses.



Responding to incidents

Being there when people need us remains a cornerstone of our mahi. During 2021/22, we responded to over 85,000 incidents, some of which caused severe impacts to lives, property and the environment. Our year at a glance on pages 8 and 9 sets out significant events we responded to and the total number of incidents attended, highlighting the broad scope and scale of our mahi.

Our work continues to change over time and it's important we are flexible and quickly adapt to help people in need in a range of challenging circumstances. The efficiency and effectiveness of our responses significantly influences outcomes, and after every major incident, we reflect and identify opportunities to improve.

Improving our hapori support and engagement

A key part of our commitment to continuously improve our hapori engagement and support, is to research a community's journey before, during and after events.

A good example is the research we did on the January 2022 Evergreen Crescent, Upper Hutt scrub fire. It provided us with a deeper understanding of the impact fires have on local hapori. This research will be used to inform the delivery of services during the response and recovery phases of future events.

Working together like this means communities are better able to understand and own their local risks, and our people have a better understanding of the inherent strengths of the local hapori. In the longer term, these collaborations will improve the overall understanding of the risks and improve resilience, readiness and recovery of hapori.

⁵ See page 14 Our commitment to Māori as tangata whenua for more information.

Providing urban search and rescue services

We responded to major incidents locally and internationally through the deployment of our skilled and specialist urban search and rescue (USAR) team. The map on page 8 shows the major incidents we deployed our USAR resources to across Aotearoa in 2021/22.

Our USAR team also deployed equipment to support the All-of-Government responses in the Pacific including Papua New Guinea for COVID-19 and the Kingdom of Tonga’s volcanic eruption. These services strengthened our international partnerships and brought specialist skills to better support recovery efforts.

We maintain this capability through specialised training and equipment caches so we can respond quickly to these types incidents.

Dispatching requests through the National Air-Desk

The National Air-Desk was established following a recommendation made in our independent review into the Pigeon Valley fires in 2019. It uses a system that manages and records the dispatch of aircraft for fire and emergency operations across Aotearoa. This year, our National Air-Desk has:

- recorded more than 450 incidents including responses to fires in Waiharara and Evergreen Crescent, Upper Hutt, and flooding in Marlborough
- improved our wildfire incident responses by ensuring we have the right aircraft and crew to the incident
- enabled real time tracking of resource, and improved collection of accurate data to inform future planning.

Showing service delivery resilience during times of change

Responding to extreme weather events and wildfires

The increasing number and intensity of extreme weather events, including flooding, cyclones and wildfires, provided challenges for our people this year. We responded to significant incidents with our main purpose top of mind – to protect and preserve lives, property and the environment. These incidents reflected an incredible display of whanaungatanga. Our firefighters, management and support people, iwi and emergency partners pulled together to prevent loss of life, and to minimise damage to property and the environment as much as possible.

Responding during COVID-19 lockdowns

Maintaining operational delivery during the COVID-19 pandemic presented significant challenges for all our people over the past year. We responded and adapted quickly to meet the Government’s COVID-19 guidelines which ensured our people and communities remained protected as we continued to provide emergency services.

As in previous years, our people responded admirably to the difficult circumstances and unpredictable environment created by the pandemic, particularly as Delta and Omicron variants emerged. Throughout, our focus remained on providing the tools and guidance to keep them safe and contributing to the wider emergency sector response to COVID-19.

Delivering through the COVID-19 mandates

In November 2021, COVID-19 vaccination was made mandatory for operational roles, and a number of other roles, under the COVID-19 Public Health Response (Vaccinations) Order 2021. We needed to adjust quickly, and we did. Despite restrictions and uncertainty, our operational and management personnel did remarkably well to maintain response and support levels to keep our people and communities safe.



Ensuring compliance with the Health Order was a significant and necessary undertaking. Strong communication and coordination across national, regional and district levels required an immense effort to ensure compliance.

Overall, Fire and Emergency kept Aotearoa safe by making sure our firefighters on duty were fully vaccinated and had appropriate personal protective equipment (PPE).

Following consultation with our people, and a thorough health and safety risk assessment, we also put a vaccination policy in place for roles not covered under the Health Order. The policy and other associated COVID-19 guidance were revised throughout the year to reflect the changing risk levels.

CASE STUDY

WAIHARARA FIRE RESPONDING TOGETHER WITH OUR SECTOR PARTNERS AND COMMUNITIES

-  Building resilient communities
-  Collaboration, partnerships and influence



The fire that broke out at Waiharara in Te Tai Tokerau on 18 December 2021 was the largest, longest, most complex and costliest of a series of incidents that kept Northland’s firefighters busy all summer.

Drawing resources from all over the motu, our response to the fire lasted 52 days and had a deep impact on the environment, the local hapori, holidaymakers and Fire and Emergency’s own people.

The fire spread quickly in windy conditions and became well established in 2,800 hectares of reserves and Māori-owned land including wāhi tapu, regenerating native flora, peat swamps and old kauri diggings. The 38 kilometre perimeter was bordered by dunes, farmland and orchards, and the neighbouring communities of Kaimaumau, Houhora and Waiharara were about to swell from hundreds to thousands with an influx of holidaymakers.

But aside from the statistics, what made the Waiharara response notable was the partnership formed between Ngāi Takoto iwi, DOC and our own organisation.

District Manager Wipari Henwood said creating a Governance Group provided a forum to discuss all the issues regarding how the fire and its management were impacting on mana whenua, whānau and the cultural and ecological values of the whenua itself.

Embedding iwi representatives and DOC liaisons in an incident management team is accepted practice, but Wipari described the arrangement for Waiharara as ‘on the next level because it was isolated, it was their whenua and a site of national significance with a lot of values that may not have been openly disclosed’. Early on, he and his team drew on the strong links that DOC already had with Ngāi Takoto, and then the fire became the basis for an enduring relationship. ‘We met regularly – initially every day, and we are still having ongoing engagement months later.’

‘I was really impressed with our partner relationships and the camaraderie built up amongst the crews. We were all working together to reduce risks and protect people and property.’

Abraham Witane,
Te Hiku Treaty Settlement
Implementation Senior Strategy Advisor,
Department of Conservation

Fire and Emergency was also able to draw on the hapori resources to provide catering for crews, security patrols for the fireground’s perimeter and accommodation for some of the personnel. Ngāi Takoto’s support was crucial to maintaining the response in an isolated area over the holiday period.

At the same time, whānau channels were a trusted means of engaging with residents. The Waiharara School sheltered evacuees and the Kaimaumau marae hosted several hapori meetings. Wipari said that taken all together, the Waiharara fire provided many examples of how better engagement with iwi and major interested parties like DOC would benefit communities affected by future large-scale fires. ‘The good-faith relationship was everything,’ he said.



‘It takes special and passionate people with courage to do what is needed at times of a crisis. From this crisis came giving of oneself and time away from their own families and communities — on both a local and national level bringing us all together as one collective for a positive outcome, showing what humanity can achieve. Solidarity, creating new relationships and better appreciation of each other and our environments.’

Craig Hobson, Ngāi Takoto Iwi

Investing in our risk reduction activities

Reducing the fire risk to prevent harm to people across Aotearoa is our mandate. We use evidence, and work closely with our communities and partners to identify risks and develop ways to jointly manage and reduce these risks. We monitor and evaluate our work to keep up with the changes that occur, so the fire risk to our communities is kept low.

Focusing on risk reduction – Te Pae Tata

To further support our increased fire risk reduction focus and build on current capability, in December 2021, we established the Te Pae Tata Programme – 12 projects that aim to improve the delivery of services in our communities. Te Pae Tata | The Close Horizon, reflects where we want to go and how risk reduction will look once this mahi is completed. The projects range from the creation of policy and guidance, to automated satellite-based grass curing methods. They focus on five areas, including:

- fire engineering
- regulatory compliance
- risk reduction
- risk investigations
- wildfire.

During the year, we:

- improved the way we set controls when certain high-risk activities cause wildfires
- improved our understanding of wildfires and how information is effectively communicated to communities in wildfire prevention
- started the process we need to improve how we collect and share data to improve our responses in buildings
- researched our response to safer building design, unwanted fire alarm call outs and the application of firebreaks
- drafted policy and guidance across a range of risk reduction functions
- designed, tested and implemented a structured, comprehensive and proactive regime for our Regulatory Compliance: Enforcement process. This outlines our approach to applying our regulatory compliance responsibilities – to ensure they are administered fairly and consistently. This regime is in line with our Regulatory Compliance Strategy 2021–2023.



Raising the risk profile of national wildfire

In September 2021, we produced a new national risk profile on wildfire for the Hazard Risk Board⁶ (HRB) of the Department of the Prime Minister and Cabinet. The national risk profile was developed in collaboration with partner agencies and it outlines the current risk, drivers for that risk, current challenges and how the risk may evolve over time. The overall hazard risk score for wildfire was very high, meaning there is potential for wildfire events to have a significant impact on communities who are not prepared. This score demonstrates the need for effective public awareness and education activities about wildfire danger.

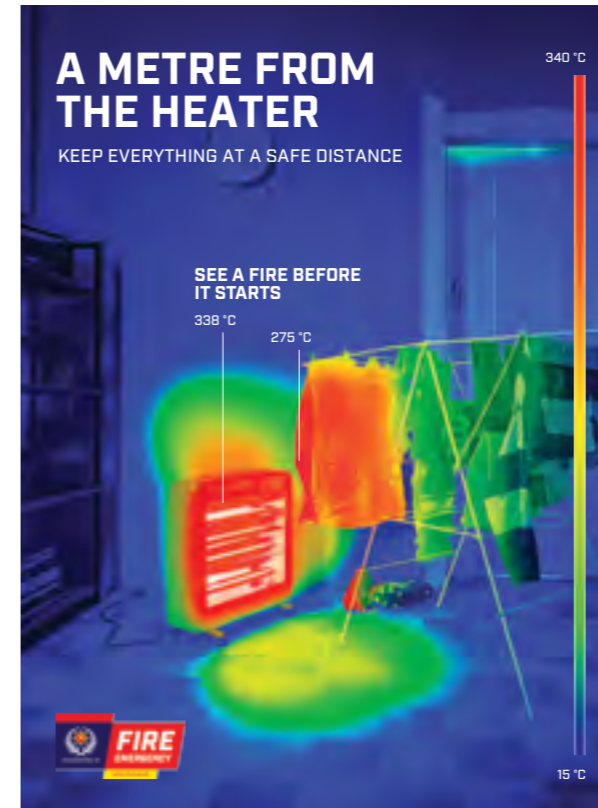
See page 26 Delivering wildfire prevention programmes for more information.

Engaging key audiences in fire safety

We are committed to reducing the risk and impact of fire by building awareness, and creating positive behaviour change in communities.

This year, we undertook research to better understand the make-up of our communities, specifically their attitudes and behaviour towards fire safety and how we could positively influence these. The segmentation model resulting from this research is now being used across the organisation to deliver targeted campaigns and inform the way we engage and educate communities.

We are now seeing the benefits of this work as we are able to better tailor our campaigns, programmes and interventions towards specific audiences and their needs. This supplements and supports the on-the-ground activities of our local Risk Reduction, and Community Readiness and Recovery teams.



Reducing fire risk in winter

Every year, as temperatures drop, we see a significant increase in the number of house fires. Between 2017–2020, there was a 29 percent increase in the number of house fires in winter (June–August). The majority were caused by or related to the increased use of heat sources.

We identified a set of fire prevention behaviours to help prevent house fires, and ran a Winter Fire Safety campaign that encouraged people to:

- keep a metre from the heater
- not over-plug multi-boards
- be careful where they dispose of their ash.

The campaign advertisements featured on a range of channels including on radio, digital billboards and online between 4.00pm and 8.00pm, when the temperature in the local area was below 14°C. We wanted to reach people who were likely to be heading home to turn on their heating appliances.

In June 2022, we launched our 2022/23 campaign. This focused on the safer use of heating appliances including heaters, fireplaces and dryers. The campaign used thermal imaging to give our audience a look at unsafe fire scenarios. This showed how danger is often hidden from the naked eye, but is easy to see if you know what you're looking for.

Increasing the likelihood of surviving a house fire

Having an escape plan and practising it as a household can increase the likelihood of surviving a house fire. More than two-fifths of households in Aotearoa still don't have an escape plan.

Our 2021/22 Escape Planning campaign was developed to get more households, especially families, to create an escape plan. We needed to simplify escape planning, make it clear what a good escape plan consists of, and that it is easy and achievable for all. In October 2021, we launched the '3-Step-Escape Plan' educational campaign which breaks down escape planning to the three most important steps. Our new campaign to introduce the '3-Step-Escape Plan' appeared on social media and online, on TV and radio, in print and on street signage.

During the year, 31,725 escape plans were completed at escapemyhouse.co.nz. This is a 186 percent increase compared to 2020/21 where 11,065 plans were completed. Following a successful campaign, we saw a drop in the number of people who report having an escape plan, which may be attributed to people realising their current 'plan' was not adequate and they needed to complete a more detailed one.

See performance measure 1.1.4, Percentage of survey respondents with an escape plan on page 50. This year's result was 60 percent, two percentage points below target.

Messaging the importance of smoke alarms in the home

Our 2021/22 Smoke Alarm campaign introduces Smokey. Smokey is a friendly humanised smoke alarm which delivers the message that 'when you look after your smoke alarms, they will look after you'.

This complements our messaging around the importance of smoke alarms in houses, with a lighter, friendlier approach that encourages people to take ownership of their smoke alarms. The campaign launched prior to daylight saving in September 2021 on social media platforms. We also developed a 15-second television advertisement that was available in te reo Māori, Samoan and Tongan.

See performance measure 1.1.5, Percentage of survey respondents with at least one installed and working smoke alarm on page 50. This year's result was 87 percent, one percentage point below target.

⁶ The purpose of the HRB is to build a high performing National Security System to manage civil contingencies and hazard risks.



Delivering wildfire prevention programmes

Research⁵ undertaken in September 2021 predicted that Aotearoa will become hotter and drier in some areas, creating conditions that increase the frequency and severity of wildfires. Fires in Deep Stream, Middlemarch in November 2019 and Lake Ōhau, MacKenzie Basin in October 2020 indicate this is happening now.

Over the 2021/22 year, we delivered a three-phase Wildfire Readiness and Prevention campaign that focused on reducing the incidence and impact of wildfires. The first phase was delivered from October to December 2021, and focused on wildfire readiness to help rural and semi-rural dwellers prepare their homes and properties. We encouraged people to take actions to help defend their home and property from wildfires.

Our second phase ran from December 2021 to February 2022. It focused on wildfire prevention, encouraging everyone to check their local fire danger on checkitsalright.nz before lighting any type of fire during the summer. Our approach to communicating wildfire danger was placing our messages in places the public commonly visited. Our partnership with Meteorological Service (MetService) now sees the local fire danger displayed alongside weather information, when people are checking their weather forecast on the MetService website or app. This improves the information delivery to our communities so they are better prepared for wildfires.

The third phase of the campaign focused on communicating the planting of low-flammable plants to protect properties in rural and semi-rural areas during the wildfire season. This aims to help reduce the speed and severity of damage during a wildfire. We partnered with Lincoln University and New Zealand rugby player Samuel Whitelock, who has a Bachelor of Science majoring in plant science, to create two educational videos and a series of educational articles. These explain the purpose and importance of planting low flammability plants and visually demonstrate the difference in the flammability of plants. Work on the campaign continues so we can understand how people receive information on wildfire danger, which will inform future initiatives.



Strengthening our relationships to help communities

We work closely with land management organisations for wildfire risk reduction, readiness, response and recovery activities, particularly in the urban-rural interface and natural environment. Our collaboration with iwi and organisations such as DOC and the New Zealand Forest Owners Association brings together specialist land and fire management skills, qualifications and resources – to protect the environment from the effects of wildfire, and to provide for the safe use of fire as a land management tool.

National and regional land management forums have been established and meet regularly to share and discuss issues, supporting a high level of collaboration between parties. During the year, we participated in a close analysis of the Crown Pastoral Land Reform Bill which gained Royal Assent in May 2022.

To improve hapori readiness in fire-related incidents, we worked with Te Puni Kōkiri | Ministry of Māori Development, iwi and Māori communities, and services such as the New Zealand Red Cross. Over the year, our work has improved hapori resilience through marae preparedness, helped communities develop plans to prepare for fire-related incidents, and resulted in smoke alarms being installed at 10 marae in Hawke's Bay.

Our strong relationship with research institutions such as SCION⁶, Canterbury University and Lincoln University benefits and further develops our understanding and knowledge of wildfire. SCION has commenced a five-year research programme (October 2021–September 2026) on 'Extreme wildfire: Our new reality'. This mahi brings together an international team of fire experts to undertake innovative research that will enable New Zealand to identify, mitigate and adapt to the changing threat of extreme wildfires.

Working in and with our communities

Implementing the Fire Awareness and Intervention Programme

Our Fire Awareness and Intervention Programme (FAIP) is an education programme delivered by firefighters to help tamariki (children) and rangatahi (youth) overcome unhealthy behaviours around lighting fires. This year, we saw a reduction in FAIP referrals with 115 tamariki and rangatahi completing this programme, of whom only three (2.6 percent) were recidivist offenders. This year's result is significantly lower than our previous year's result of 335 referrals completing the programme, of whom 20 (6.0 percent) were recidivist offenders. The programme aims to discourage recidivist fire lighting offending to below 10 percent.

See performance measure 1.1.1, Rate of recidivism among Fire Awareness and Intervention Programme participants on page 50.

Promoting fire safety through home fire safety visits

This year, we carried out around 16,000 home fire safety visits (HFSVs) across the motu, advising people how to reduce the risk of fire, and installing smoke alarms in their homes where required. We received positive feedback, confirming the programme greatly benefits communities. We have a performance measure to ensure 40 percent of our HFSVs are in areas of higher risk, and this year we achieved 38 percent. While this is an improvement of two percent from the previous year, this year's result was two percentage points below target. Delivery of this work was impacted by COVID-19 measures and subsequent difficulties in visiting and going inside people's homes.

See performance measure 1.1.6, Percentage of Home Fire Safety Visits delivered in 'medium – and high-risk communities' on page 50.

During the year, we evaluated the programme. This included reviewing existing research and current home fire safety visit material, alongside conducting interviews and field research with our people, communities and interested parties. This evaluation will help towards improvements for how we reach the families who need HFSVs, how we carry them out, and how we evaluate the positive changes we make.

⁵ New Zealand Wildfire Summary 2020/21 is available at Fire and Emergency > About us > Research and reports.

⁶ SCION is a Crown research institute.



Delivering national school education programmes

Two of our key programmes, Get Firewise and Māui-tinei-ahi, continue to provide foundational fire safety learning for tamariki and their whānau in schools and kura kaupapa. This year, we carried out an extensive evaluation and redevelopment of Get Firewise. This resulted in additions which support the local, tailored, frontline delivery of these nationally developed programmes, including:

- te reo Māori translations with audio, and a section on engagement in Māori communities
- new firefighter classroom presentation resources for Get Firewise in both English and te reo Māori. This enables firefighters to develop their skills in speaking te reo Māori in mainstream classes
- new training and support materials, developed with our Pou Takawaenga Māori team for our people to use in the delivery of Māui-tinei-ahi.

Working with kura kaupapa Māori, kōhanga reo, kaiako and kaumātua laid the initial foundations for Māui-tinei-ahi. Our resources are built around the Te Aho Matua and Te Whāriki frameworks – the frameworks that our kura kaupapa Māori and kōhanga reo deliver their education against. The traditional elements of whakapapa, tikanga and pūrākau Māori remain in the revised versions of Māui-tinei-ahi.

Engaging with Local Advisory Committees

Our Local Advisory Committees (LACs) were established under the Act to strengthen our connection with hapori and provide advice on specific needs to inform our planning and service delivery. LACs are made up of members of the public who have strong connections across their local communities and play an important engagement role that helps shape our support for hapori. Their mahi enables us to better understand how we can assist hapori to reduce risks, and also prepare for, respond to, and recover well from emergencies when they happen.

Seven LACs were established in June 2020 and meet regularly with Fire and Emergency to provide advice on risks and issues in their communities. In 2021, we commissioned an evaluation of the current LACs, with the final report published in January 2022. The report found LACs are well designed, are working as intended and moving into an established operational phase. Some areas for improvements were identified including refining the LAC role and purpose, implementing more effective mechanisms for LAC reporting to the Board, and feedback to LACs on how their advice is being considered. We have been implementing improvements to address these areas.

Working to protect marae with new safety app

Engaging with our Crown Infrastructure Partners, we worked with local iwi to install smoke alarms in marae across Aotearoa as part of the Marae Digital Connectivity Programme. A new Marae Safety App connects the alarm by smart phone to alert local iwi when it has been activated. This has been an exciting opportunity to help protect marae and the environment – to build hapori resilience and reduce fire risk through safety plans. During the year, 300 marae signed up for the programme.

Improving our planning

Delivering services that are fit for the needs of unique communities in Aotearoa is crucial. To achieve this, we need to consider advice from a range of interested parties including the National Emergency Management Agency (NEMA), Civil Defence Emergency Management groups, LACs, emergency partners, iwi, agencies and hapori organisations.

This year, we developed processes, tools and templates and provided advice to guide our planning at all levels of the organisation. These resources help us integrate our planning processes and assist our people to better understand how they can best serve their hapori. We will use this feedback to continually update these resources so they are fit for purpose.

In alignment with our model for services that are nationally enabled, regionally coordinated and locally delivered, we support Regions to collate and prioritise investment decisions across their Districts. We then feed this information into national processes to enable enterprise planning. The LACs provide valuable input into our processes so we are well placed to understand the risks, priorities and needs of our local communities.

CASE STUDY

BUILDING RESILIENCE WITH OUR REFUGEE COMMUNITIES



- Building resilient communities
- Collaboration, partnerships and influence



Each year, Aotearoa resettles refugees from around the world. Often, they arrive in the country with limited English and little knowledge of New Zealand society and norms.

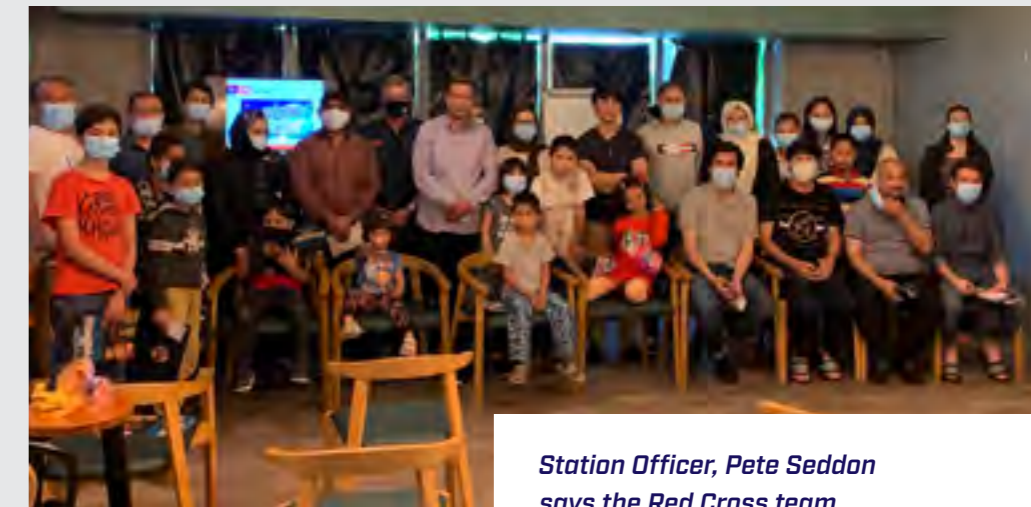
The New Zealand Red Cross helps refugees integrate into society. Fire and Emergency has identified gaps in refugees' fire safety knowledge which has led to new initiatives by Fire and Emergency personnel.

In spring 2021, Auckland City Station attended what appeared to be a routine call-out to an accommodation building in the city. Senior Firefighter, Greg Jefferson noticed there were a lot of security guards but few occupants in the evacuation area and questioned why that was. It turned out the building was a secure place for Afghanistan evacuees who had assisted the New Zealand Defence Force in Afghanistan. For them, alarms and uniforms were something to be feared, which is why so many, including children, had not evacuated the building.

Greg saw an opportunity to help this brave and at-risk group:

'I talked to the security company who ran the facility and various government departments, to see if we could share fire safety knowledge with the group and help build trust with emergency services. They responded positively and we gave our first presentation at the end of October 2021.'

Greg Jefferson, Senior firefighter



Station Officer, Pete Seddon says the Red Cross team in Christchurch has really taken the fire safety message to heart:

'We wouldn't have been able to engage with the former refugee families without their positive reinforcement and assistance. I've learned from this experience that there are times we need to seek out and engage with groups within our community who may not understand our risk reduction messaging yet for whatever reason; we can't wait for them to come to us.'

A similar process takes place in Christchurch where Fire and Emergency delivers a 45-minute fire safety presentations to refugees during their five-day orientation with the Red Cross. We follow this up with a home fire safety visit to each household by on duty crews with a Red Cross interpreter present.

Fire and Emergency has been able to visit more than 95 percent of newly arrived refugees in their new homes in Christchurch.

Standing up a new structure to support delivery

In September 2021, we achieved a significant milestone in our organisational journey – implementing our new Region and District structure around the country. The stand-up of the 17 new District Leadership Teams was one of the most complex changes seen in a fire service in this part of the world, and an important step towards our goal of providing a unified fire and emergency service for Aotearoa.

The new structure established District Managers, Community Risk Managers, Group Managers, Risk Reduction Advisors and Community Readiness and Recovery Advisors in each of our Districts. These roles ensure we have the right capability and leadership to provide the wide range of services required.

This operational management structure:

- helps us better connect with and serve our communities, providing tailored local solutions that work for diverse groups
- increases our focus on reducing risk, improving hapori and helping them to recover from incidents
- improves support for our volunteers
- realises our vision for services that are nationally enabled, regionally coordinated and locally delivered.

Work being done by our Risk Reduction Advisors is seeing us engage proactively with land and building owners about what they can do to minimise risk. We use data from fire investigations to inform activities and ensure we are directing our efforts in the right way. Working in tandem, our Community Readiness and Recovery Advisors are dedicated to connecting with locals and providing advice, guidance, support and education. Across both these areas, we are better resourced to partner with communities to promote positive fire safety behaviour change, reducing risk in both the built and natural environments.

In January 2022, we consulted on the structure of the Finance and Business Operations Branch. The proposed structure was designed to ensure that the services and functions are organised effectively, and has the capability and capacity to meet organisational needs. We announced the structure in March 2022 and have implemented changes. The Branch now has four Directorates – Finance, Procurement, Data and Analytics and Business Operations which work together to ensure the organisation has sound fiscal management, effective corporate services and supports evidence-based decision making.

In June 2022, we announced the new permanent structure for the ICT (the information and communications technology) Directorate. These changes help us build a fit-for-purpose and sustainable ICT Directorate to progress our National Strategy, 10-Year Plan and Digital Strategy.



Using strategic tools to inform our operations

Developing our Research and Evaluation Strategy

This year, we developed our National Research and Evaluation Strategy to prioritise investment in research and evaluation to achieve our strategic outcomes. This Strategy signals a step change presenting a deliberate, coordinated and structured approach to research and evaluation.

The National Research and Evaluation Strategy aims to:

- guide our investment in research and evaluation across the organisation
- support decision-making founded on evidence and good practice
- improve our contribution to the broader emergency research ecosystem.

The Strategy supports the organisation's commitment to better understanding and improvement of services through learning and evaluation, playing a key role in developing our evidence base.

Delivering All-of-Government responses

Engaging and preparing our partner agencies

The Emergency Services Leadership Board (ESLB) was established in 2020 to oversee work on a safe and consistent approach to deliver an All-of-Government emergency response to the COVID-19 pandemic. Consisting of Chief Executives across the emergency sector, the ESLB set up the Emergency Services Operational Leadership Group (ESOLG) to focus on issues wider than the pandemic that we face as a sector.

As a result of these forums, we are in regular contact on our operational capability and will continue to use these forums to engage and prepare with our partner agencies. Membership includes Fire and Emergency, NEMA, New Zealand Police, Wellington Free Ambulance, St John, New Zealand Defence Force and Ministry of Health (MoH).

During the year, ESLB's work included focus on COVID-19 pre-mortem analysis and the traffic light setting shift, and increasing iwi engagement in an emergency services context. The ESOLG contributed to agency-led sector initiatives including the Trifecta Programme (NEMA), Public Safety Network and Next Generation Critical Communication (New Zealand Police) and the Mass Casualty Framework (MoH). ●



TE
WHAKAWHANAKE I
Ā MĀTOU TĀNGATA
**DEVELOPING
OUR
PEOPLE**

Providing a safer, supportive and more inclusive workplace supports our people to grow and be successful. To deliver our core services to communities well, developing and supporting our people with the tools and resources is key.

This year, we focused on further building our organisation with a respectful and inclusive culture. Our mahi for developing our people includes:

- lifting our workplace capability and competency
- improving diversity in our organisation
- lifting our cultural competency
- understanding our people profile
- valuing and recognising our volunteers
- supporting our leaders to succeed
- building a safer and more supportive workplace
- progressing the Behaviour and Conduct Office
- developing tools to enhance the safety, health and wellbeing of our firefighters
- improving our engagement with interested parties and sector partners.



Lifting our workplace capability and competency

Embedding kaupapa Māori into our organisation is very important to us. We are committed to lifting the cultural capability and competency of our people.

Te wahaora, as illustrated on page 15, outlines the gateway to our organisation and provides clarity and focus for our people. In particular, kaupapa Māori supports our cohesive structure by strengthening our agility, strength and tenacity to work alongside Māori and create safer, more resilient communities.

A key part of this mahi, has been the introduction of an online learning tool He Timatanga Kōrero. The programme strengthens the awareness and capability of kaupapa Māori across the organisation. On the successful completion of this course, our people are presented with Te Tohu, a pin, as a symbol of achievement. This has been well received by our people.

Strengthening te reo Māori and recognising Waitangi Day

This year, we were proud to celebrate Te Wiki o te Reo Māori. We recognise iwi and Māori as hapori leaders, and we know that by improving our knowledge and use of te reo Māori, we are more effective in building and enhancing these valuable relationships with iwi and Māori. We provided a range of resources and activities throughout the week, and our people participated through online classes and videos.

We also had 13 successful applicants for the Dr Sir John Te Ahikaiata Turei Memorial Grant. The grant is available to Fire and Emergency people who will help the organisation to work more effectively with Māori hapori. It is an initiative to enhance our organisation's overall service delivery capability, and another way we fulfil our commitment to Māori as tangata whenua.

On Waitangi Day, we recognised the importance of Māori as partners in our mahi by building cultural capability through two lunchtime 'Kawhe me te Kōrero; Coffee and Conversation' sessions. The sessions provided an opportunity for the 280 attendees from around the motu to learn and reflect on the historical context of Te Tiriti o Waitangi (The Treaty of Waitangi), and the role of Te Rōpū Whakamana i te Tiriti o Waitangi | The Waitangi Tribunal. We made these session recordings available, along with other Tiriti learning resources, to strengthen our organisation's understanding of how this knowledge is useful in our mahi with Māori communities.



Improving diversity in our organisation

The communities we work in are diverse and we will be more effective when our workforce reflects the population of Aotearoa. Key to this is promoting a positive culture, and supporting them to build the skills and capabilities they need to succeed.

Over the last four years, we have seen a slow but steady increase in our ethnic diversity. Since our establishment, there has been a very slight increase in both the average age of our people and the length of service. In the past five years, the number of wāhine firefighters and wāhine in management and support roles has increased.

Progressing women's development

We are committed to ensuring wāhine are well-represented and supported in all areas of the organisation. In March 2022, we celebrated International Women's Day to acknowledge and celebrate the achievements of our wāhine and reflect on how we can help them succeed.

A highlight was the round table with wāhine in Fire and Emergency New Zealand and Fire and Rescue New South Wales (NSW). This provided an opportunity to create connections and share insights and ideas on how we can attract and retain wāhine in the fire and emergency services. The kōrero focused on how we can better understand the barriers and challenges faced, and continue to develop our wāhine by role modelling the right behaviours. As a result, Fire and Rescue NSW asked us to attend its quarterly Inclusion Network meetings. This signalled the beginning of an ongoing relationship and our intention to work together to improve outcomes for wāhine on both sides of the Tasman.

This year, we also published new guidelines on managing pregnancy and parental leave for operational personnel to ensure our people and their whānau are well supported through a major change in their lives. The guidelines contain information for all operational personnel who may be eligible to take parental leave, or who want to better understand the policies and support available to new parents.

Advancing Kia Toipoto

Our gender balance has improved since the establishment of Fire and Emergency in 2017 with four percent more wāhine in Fire and Emergency now. In 2021/22, Te Kawa Mataaho | Public Service Commission announced its Kia Toipoto Public Service Pay Gaps Action Plan 2021–24 (the Plan) to make progress in closing gender, Māori, Pacific and ethnic pay gaps and creating fairer workplaces for all. We have started work on our inaugural Kia Toipoto Action Plan, which will be published by the end of the next financial year.

The Plan will also promote a flexible-by-default approach to working arrangements in the public sector. Fire and Emergency is moving towards this approach, and we have started developing the tools, policies and guidance needed to fully embed flexible working arrangements. Over the year, factors including COVID-19 and planning for the relocation of our National Headquarters (NHQ) in the Wellington CBD provided opportunities to apply and further develop our flexible working arrangements. This has made it easier for our people to work in a way that balances their needs with those of the organisation.

CASE STUDY

LIFTING OUR CULTURAL COMPETENCY



'Mā te rango, ka mōhio, mā te mōhio, ka mārāma, Mā te mārāma, ka mātau, mā te mātau, ka ora pūmau tonu.'

'Through listening comes awareness, through awareness comes understanding, through understanding comes knowledge, through knowledge comes sustainability.'

As a contemporary emergency management service, we are striving to become more culturally capable so we can recognise, honour and learn from the contribution of Māori to all facets of our organisation.

In July 2021, we launched Hiwa-i-te-rangi, our programme to realise the commitment we made in 2018 to working with Māori as tangata whenua. One year on, in June 2022, the Hiwa-i-te-rangi team announced the launch of Te Aho Tapu, a framework to equip our people with the right tools to grow confidence and knowledge of Māori culture and New Zealand history.

Te Aho Tapu is the product of a year of research and testing concepts with over 150 of our people across the country. The name Te Aho Tapu was gifted by Senior Firefighter Hanna Wainohu, and refers to the sacred thread, a term used in raranga, weaving. Hanna is a weaver of more than 20 years who says that if Te Aho Tapu is laid correctly

and appropriately, it will be strong enough to last long into the future.

Te Aho Tapu was announced by Kerry Gregory during Matariki, Māori New Year. At the launch, Kerry touched on the importance and urgency he puts on this mahi.



Over the coming year, Te Aho Tapu will be piloted with a group of our people across Aotearoa.

'Coming into my role, I thought a lot about the ways Fire and Emergency works and I strongly believe now is the time to do more by Māori in our communities. Now is the time to drive and uplift our organisation's cultural capability across the board. This is one of my top five priorities for change for Fire and Emergency.'

Kerry Gregory, Chief Executive

OUR PEOPLE PROFILE

AS AT 30 JUNE 2022

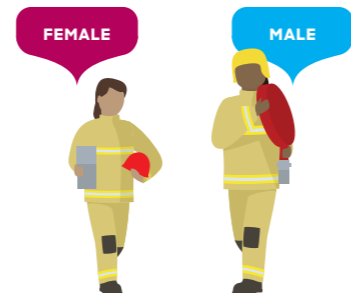
OUR PEOPLE



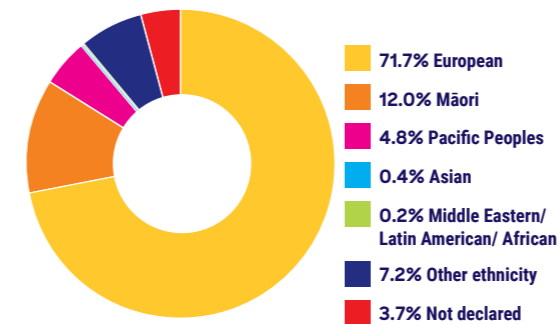
AVERAGE LENGTH OF SERVICE [YEARS]



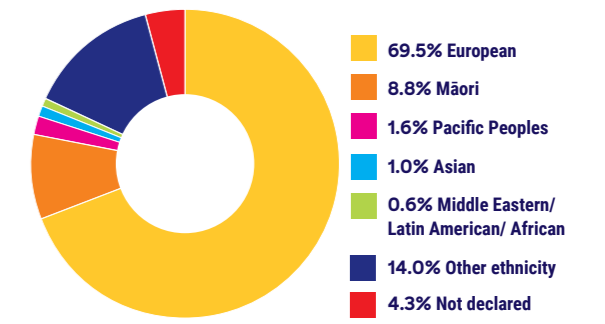
AVERAGE AGE



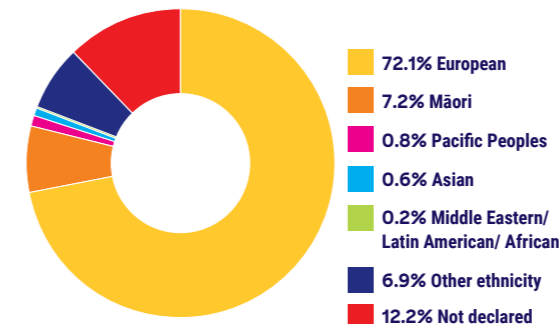
ETHNICITY



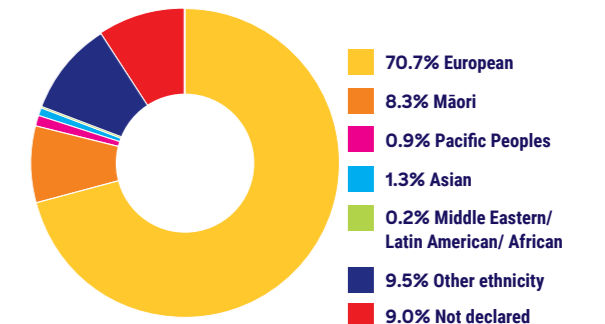
Career firefighters



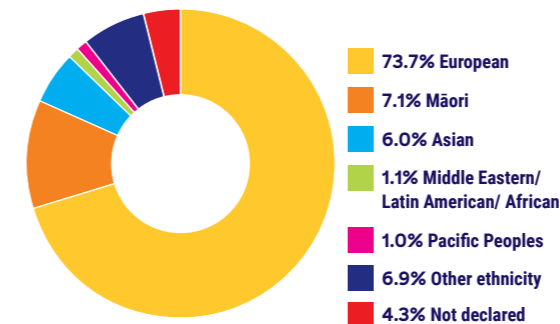
Volunteer brigade support



Volunteer firefighters



Volunteer operational support



Management and support

GENDER





Valuing and recognising our volunteers

We have approximately 11,500 volunteers at more than 600 stations nationwide. They are an integral part of our team and it is important we remain dedicated to ensuring the volunteer experience is rewarding and positive. Our Volunteerism Strategy 2019–2029 guides our mahi in this space. We established a volunteerism portfolio to enable a more cohesive and coordinated approach to implementing the strategy.

This year, we completed:

- a two-year longitudinal research study, 'Understanding the Volunteer Journey', which focused on the early years of a volunteer's experience. We will incorporate the study's findings and recommendations into future initiatives to improve outcomes for our volunteers
- a review of volunteer reward and recognition reports and research. The review provided the evidence base for our new fit-for-purpose Recognition and Appreciation Implementation Plan. The three-year plan will go live in 2022/23
- a refresh of our online volunteer training development resources to help improve brigade leadership and resilience.

In June 2022, we celebrated Te Wiki Tūao ā-Motu National Volunteer Week. This is our opportunity to come together behind our volunteers, their whānau, employers, supporters and all those who work alongside them.

Supporting our new Service Delivery leaders to succeed

This year, we launched Te Kākano, a new induction and development programme for personnel appointed as part of our new Service Delivery District management structure. The name Te Kākano comes from the whakataukī 'Poipoiā te kākano kia puāwai,' which translates as 'Nurture the seed and it will bloom'.

We provide Te Kākano for our frontline Service Delivery management personnel during the first 18 months in the job. However, the impact of COVID-19 during the year, limited the delivery of the programme to induction sessions across our Districts. Further work is continuing to deliver the full intent of the programme.

Te Kākano embeds new behaviours and skills, and strengthens alignment and collaboration across Districts, Regions and nationwide. With a strong focus on values, it helps us develop collective and empowered leadership to:

- nurture the talent in our teams
- give our people clear pathways for development
- deliver across the 4Rs (reduction, readiness, recovery and response) of emergency management
- create a truly inclusive organisation that celebrates diversity and reflects the communities we serve.

Building a safer and more supportive workplace

We are now three years on from retired Judge Coral Shaw's independent review in April 2022 of our workplace policies, practices and procedures to address bullying and harassment. Our Board formally requested – under the Public Service Act 2020 – that Te Kawa Mataaho | Public Service Commission complete an independent review of our progress. This review is considering:

- whether the recommendations in the Shaw report have been implemented and the intended changes realised
- any further steps that Fire and Emergency should take to improve its systems, policies, procedures and workplace culture.

With the review underway, we continued building a positive workplace culture by refreshing our Safety, Health and Wellbeing Strategy. This Strategy recognises that nothing is more important than our people and their right to go home safe and well every day. This critical mahi builds on other changes we made this year, such as:

- incorporating gender-neutral bathrooms in new training facilities
- establishing and strengthening our Disability Network and Whiria te Tāngata | Rainbow Network across the organisation to increase representation, support and accessibility for our people
- progressing the permanent Behaviour and Conduct Office (BCO)
- launching a permanent Dispute Resolution Scheme.

Over the year, COVID-19 affected the services we provided across Aotearoa and challenged the physical and mental wellbeing of our people. During this time, we delivered a series of webinars and other resources to support our people to stay well in the face of the ongoing COVID-19 pandemic. The webinar series provided practical advice on the psychological impact of crises and effective strategies to reduce stress. We received good feedback on this approach. We also ensured we had good processes and procedures in place for key areas, such as:

- PPE procurement
- station and vehicle cleaning
- rapid antigen testing supply and use.

Progressing the Behaviour and Conduct Office

In October 2021, we began transitioning to our permanent BCO. This was a key step in addressing bullying and harassment, and building a respectful and positive workplace culture in our organisation.

As we phased in the permanent BCO, we undertook formal consultation on the BCO, including feedback from our people, Women in Fire and Emergency (WFENZ), Pou Takawaenga Māori, Whiria Te Tāngata | Rainbow Network and Afi Pasefika, as well as the unions and associations.

To give additional assurance, we engaged KPMG to conduct an independent assessment of the BCO. This assessment focused particularly on whether the BCO was operationally ready to be implemented successfully and had clear lines of accountability and leadership. Their findings supported the progression to the next phase of the BCO.

Launching a new dispute resolution scheme

We established a Dispute Resolution Scheme to provide volunteers and the public with an independent and transparent process for resolving disputes with Fire and Emergency.

The Scheme was developed after consultation with the public and our volunteers. It is guided by the following principles:

- Accessibility
- Independence
- Fairness
- Accountability
- Efficiency
- Effectiveness.

We appointed the Independent Complaint and Review Authority (ICRA) Limited to administer and operate our new Dispute Resolution Scheme. The ICRA took up that role in December 2021.



Developing tools to enhance the safety, health and wellbeing of our firefighters

Raising awareness and minimising exposure to carcinogens

Reducing the likelihood and impact of firefighter exposure to carcinogens is important for their safety, health and wellbeing. Evidence from international research shows firefighters, fire investigators and training officers are routinely exposed to carcinogens. To deliver better outcomes for our people, we developed and tested a number of communication and training resources and tools, to raise awareness and improve existing procedures and processes.

This year, we initiated trials of our post-fire management system. This will help minimise firefighter exposure to carcinogens at the incident ground. This system includes actions to reduce contamination on PPE thereby reducing the consequence of exposure by our firefighters. The three-month trials took place in Auckland, Palmerston North, Feilding, and Christchurch, and we sought feedback to further refine the system.

Improving our gas detection capability

Gas detectors are an important safety tool for many of the incidents we attend. They are essential for monitoring toxic gases and carbon monoxide (CO) levels in the environments that our people work in, and to ensure members of the public nearby aren't placed at risk.

This year, we rolled out new personal CO monitors for our people. The monitors were first deployed to use at the Waiharara fire in Northland over the 2021/22 summer period where significant levels of CO were detected. The monitors sound an alarm in toxic environments to help keep our people safe.

Improving our engagement

Working effectively with partners and interested parties

With our new Service Delivery structure in place, we worked towards providing a unified, consistent approach to engaging with interested parties nationally, regionally and locally. We developed a relationship framework, to help our people understand how to enter into and build effective, purposeful, strategic relationships that are supported by key agreements, such as Memorandums of Understanding or Service Level Agreements. Our key focus areas for partnerships include:

- making sure our partnership arrangements are simple and clear, and meet the needs of both parties
- ensuring principle-based outcomes are a feature of agreements with key partners
- helping Regions implement formal arrangements with our partners.

Given the key role interested parties play in achieving our strategic priorities, it's important we monitor and strengthen these relationships. To measure our stakeholder satisfaction and the effectiveness of our engagement practices, we carry out an annual survey, using the results to identify areas of improvement.

This year, we achieved a 74 percent satisfaction rating, which exceeds our performance measure target by 14 percentage points. This result reflects the effort we have made by providing more structure around engagement activities, clarifying processes and improving support to our people. The stand-up of our new Region and District structure has also contributed, ensuring we have clear points of contact and better connections with our stakeholders.

See performance measure 1.1.7 Maintain an organisational relationship satisfaction rate with stakeholders on page 50.

Contributing to the Australasian Fire and Emergency sector

The Australasian Fire and Emergency Service Authorities Council (AFAC) supports the sector across Australia and Aotearoa. Fire and Emergency is a member of AFAC, which gives us a forum to share knowledge, exchange insights, explore opportunities and create solutions. We co-chair the AFAC Governance Group and chair the AFAC Research Committee and the Fire Engineering Network. These roles enable us to engage with other parts of the world and contribute to specific practice areas and interests.

AFAC holds annual conferences to build relationships and share knowledge across the sector. We delivered two presentations at the virtual conference in October 2021. These focused on building our culture and our commitment to working with Māori as tangata whenua. We created visual material showing the findings of our research into our volunteer firefighters' journeys, and the barriers for people engaging in our FAIP.

The conference also recognises an individual and an agency who are at the forefront of innovation, creativity and knowledge management and/or research. This year, Bruce Botherway, a Hawke's Bay Senior Station Officer was the individual winner of the AFAC Knowledge Innovation Award. The award recognised his innovative work on an application to capture real-time data after large natural disasters or extreme weather events, allowing agencies to develop dynamic action plans as events unfold to support and resource affected areas. The application can now be used across Aotearoa and is compatible with USAR international standards. ●



TE HANGA I TE
PAKIHI
**BUILDING
THE
BUSINESS**

Improving our assets supports the efficient and consistent delivery of services across Aotearoa, keeping pace with the changing environment and technologies through intelligence-led, evidence-based decisions.

This year, we focused on making evidence-based decisions that were responsive and courageous in a changing environment, delivering the strategic shifts and outcomes required. Our performance delivery to build our business includes:

- building a fit-for-purpose property network
- delivering innovation into our new builds
- managing our fleet
- improving equipment and logistics
- enhancing our digital environment
- lifting portfolio, programme and project management maturity
- developing our response to climate change.



Building a fit-for-purpose property network

We have 637 fire station sites across Aotearoa that we maintain and improve to ensure they are fit for purpose. Over the financial year, we invested \$3.63 million in land and \$51.58 million towards buildings, which includes building new stations and upgrading others.

Over the 2021/22 financial year, we:

- completed new builds and upgrades of 19 fire stations funded through the COVID-19 Response and Recovery Fund (CRRF), including the Christchurch City Fire Station new build which received a top rating for innovation. See case study on page 44
- successfully managed our maintenance and modernisation programmes, which includes re-roofing, repainting, door and cladding replacement, as well as ablution upgrades and exhaust and asbestos management
- completed the establishment of our first, prototype, Live Fire Training facility in Woolston, Christchurch. The aim is to allow our firefighters to train in a 'real-life' environment and practice the skills they need to respond to a real event, and provide opportunities to educate and engage with our communities. The intention is to build three more facilities around the motu
- completed our Property Handbook 2021–2024, which outlines how we manage our property portfolio to enable the organisation to achieve its capital asset priorities and operational objectives.

CHRISTCHURCH CITY FIRE STATION GETS TOP RATING FOR INNOVATION



Intelligence-led, evidence-based decisions

Keeping pace with change



It was a long-anticipated milestone for Christchurch firefighters when they moved into the new Christchurch City Fire Station on 18 May 2022.

The old station was damaged in the 2011 Christchurch earthquakes and was vacated for demolition in June 2019. Crews then worked out of a temporary station in Lichfield Street throughout the rebuild period.

Steve Kennedy, Canterbury Group Manager, says there are many features of the new station that earn it a top rating.

The station is designed and built with earthquake strength in mind – it is split up into four zones that can move independently without affecting the structural integrity of the building overall.

'Environmental sustainability was at the forefront through the design, demolition, and rebuild with several of the new construction materials having a recycled element. In particular, the aluminium exterior cladding is 80 percent recycled aluminium produced in New Zealand and has a lifetime guarantee. The insulation is manufactured from recycled plastic bottles and the gym flooring from reconstituted car tyres.'

**Steve Kennedy,
Canterbury Group Manager**

The timber cladding is recycled Australian hardwood and has 40 years durability, while the terracotta tile exterior cladding is environmentally friendly and 100 percent natural.

Steve says additional environmentally friendly features include a solar hot water system. There is LED lighting throughout and motion sensors to save electricity when spaces are not occupied. On-site water storage and a fallback generator provide for continued operation through any natural emergency events.

As for the old station, the demolition provided 82 tonnes of steel from the structural beams, reinforcing and window frames, which were either on sold or recycled. Six hundred and ten cubic metres of concrete was crushed on site and reused for the gravel raft under the new station.



We accelerated completion of the new Christchurch City Fire Station after receiving additional funding from the Government's CRRF in 2020. The funding was to be spent on 'shovel ready' infrastructure projects to support the economy during the COVID-19 pandemic.

Crown Infrastructure Partners (CIP) is responsible for identifying, funding and monitoring CRRF projects across Aotearoa. Jeremy Holman, General Manager Infrastructure Delivery, CIP, said the Fire and Emergency CRRF property programme was a 'very impressive achievement'.

'The Fire and Emergency property team and those who have supported them should certainly be very proud of how well they have delivered this programme in some very challenging circumstances.'

**Jeremy Holman,
General Manager
Infrastructure Delivery, CIP**

Managing our fleet

Fire and Emergency maintains one of the largest fleets of commercial vehicles in the country, with more than 1,280 fire trucks and specialist response vehicles. We manage our fleet, replace vehicles at the end of their lives, and upgrade vehicles as required.

During 2021/22, we:

- acquired 35 new fire trucks which are now in use
- progressed the procurement process to replace four high-reach aerial fire trucks nearing the end of their target life. These new fire trucks are expected to be delivered in 2023/24
- progressed our project to source the next generation of Type 3 fire trucks. Two suppliers were selected to supply four trial Type 3 fire trucks. The trucks will be delivered for trial in 2022/23
- improved our firefighters' ability to make decisions on the ground and respond to incidents effectively with our Mobility Tactical Solution project. This included installing 200 tablets in fire trucks, ensuring our people have the latest information at their fingertips, when they need it. We also have 24 fire trucks that use the full Mobility Solution, providing equipment that improves internet access in rural areas and reduces the chance of a flat fire truck battery
- gained 25 electric and hybrid vehicles and installed five electric vehicle charging locations across the motu. We will continue to evaluate fleet emissions and seek to increase our electric fleet as part of our progress towards carbon neutrality
- progressed our work to resolve the Type 3 fire truck bodywork cracks issue.

Improving equipment and logistics

This year, as part of our National Equipment and Logistics Strategy 2020–2025, we continued to implement our fit-for-purpose equipment management, maintenance and logistics system. Our system is based on a 'from the factory to the fireground' continuum, with our original equipment manufacturers and suppliers embedded into the continuum as strategic partners.

During 2021/22, we:

- delivered a modern, multi-functional Equipment and Logistics Service Centre in Tauranga. The new service centre also doubles as a North Island distribution centre to add resilience into our national supply chain. It was opened by the Minister of Internal Affairs Hon. Jan Tinetti in May 2022
- purchased a Hosemaster™ hose care machine as a proof of concept, and installed it at the Tauranga Equipment and Logistics Service Centre to maximise its sustainability capabilities by synchronising them with those of the Tauranga site (rainwater harvesting and recycling). The Hosemaster™ provides a fast, safe and effective mechanism to clean, test, dry and roll hose
- deployed an equipment and logistics capability to support operations at the Waiharara fire in December 2021. This was the first time a formed equipment and logistics capability had been deployed to a major operation to provide on-the-ground support to a long duration, medium intensity response
- completed procurement for 13,100 personal FIC (firefighter illumination capability) torches for operational firefighters. These torches are designed to keep our people safe when operating at low ambient light or in situations that require hands-free illumination in close confines. The torches will be delivered in the latter part of 2022
- completed procurement for 1,700 Emergency Personal Hygiene Packs for use by firefighters, co-responders and members of the public. These can be used when people are on deployments for long durations, or in isolated areas where access to these products is difficult. We will distribute the packs to each operational fire truck and to fire stations in late 2022
- updated and improved our gas detection and thermal imaging equipment capabilities.



Lifting portfolio, programme and project management maturity

Prioritising our investment wisely is vital if we are to serve communities effectively for generations to come.

Our annual investment prioritisation process selects our portfolio of work for the next four years. It balances our strategic need with benefit, affordability and our ability to adopt new capabilities. In-depth analysis and data is provided so we can select projects that focus on delivering our strategic intent or address significant operational needs and risks.

Each year, we review the portfolio selection process and make adjustments to the process so that we have the best suited approach to establishing the body of work that best balances resource, risk and benefit. For the current year, one of the key improvements was tightening the link between business planning, budgeting and portfolio selection.

In June 2022, we conducted a formal external review of our project, programme and portfolio management maturity. The review indicated that we had a lot of work to do to reach the required capability target. The review also noted that the approach that we were taking was sound and, with some adjustment, should achieve the planned end state.

We started a number of projects in 2021/22, including reviewing our volunteer support function, developing an incident management framework and developing our Kia Toipoto action plan. The prioritisation process provides a framework to ensure our investments align with our strategic priorities, and to enable our people to serve their communities well.

Enhancing our digital environment

The digital environment is rapidly changing. We need to ensure our technology, skills and mindset change at a similar pace so we can take advantage of tools that enable us to work more efficiently, connect more effectively, and better deliver services in our communities.

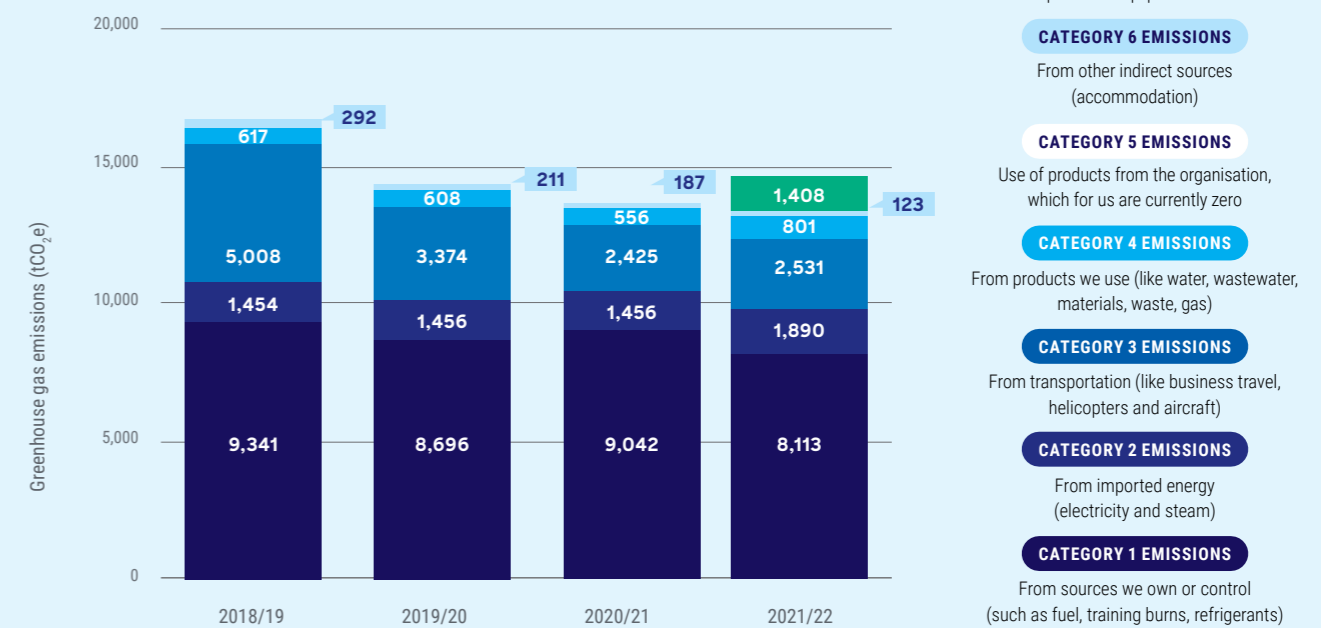
This year, we launched our Digital Strategy 2021–2027. It outlines the foundations that will improve our core network, information security, digital workflow and the way we manage and share data.

During the year, we also:

- improved our cyber security to protect the organisation from external threats and increase resilience during potential outages
- funded a one-year pilot to trial the FLAIM™ Trainer virtual reality system. This enables a more sustainable method of training our firefighters in realistic fire training scenarios.

Our emissions – how we are tracking

Our total emissions by category over 2018/19 (baseline), 2019/20, 2020/21 and 2021/22



Developing our response to climate change

Climate change is impacting our environment, with extreme weather such as heatwaves, high winds, heavy rain and storms expected to become more common and more severe. As the country is predicted to become hotter and drier in some areas, an increase in wildfire is also likely. Fire and Emergency will be on the front line responding to these events in our communities and we are already seeing the effect they are having.

Aotearoa has made a commitment to work with the rest of the world to limit future global warming. To support this commitment, and to meet the requirements of the Carbon Neutral Government Programme, this year we analysed our emissions data (from 2018/19 to 2021/22) to understand our carbon footprint.

We received certification for the first time under the Toitū Carbonreduce Programme for the 2019/20 year in 2021, and have since compiled three additional years of emissions data dating from 2018/19. This has helped us to understand trends in our emissions sources and identified areas where we need to focus our reduction efforts.

Our total emissions for 2021/22 were 14,866 tonnes of carbon dioxide equivalent (tCO₂e). This included four new emissions sources that had not been identified in previous years (together amounting to 1,408 tCO₂e). Comparing like for like (i.e. the 2021/22 year without those new sources), we have reduced our emissions by 19.5 percent since the 2018/19 baseline. These new sources will be analysed for and added to the past years as part of our next audit after the end of the 2022/23 financial year. We will use this data to develop our Emissions Reduction Plan and set targets over the next financial year.

This year, we developed our Climate Response Strategy 2022–2030 to show how we will manage our carbon footprint and respond to the challenges of climate change. We will progress on areas where we can reduce our emissions and how we can adapt to the ongoing and expected impacts of climate change.

We are well placed to comply with the Government direction under section 107 of the Crown Entities Act 2004 to:

- prepare and verify our greenhouse gas emissions inventory from 2022/23
- develop and implement reductions plans to reduce emissions
- report our emissions from December 2023. ●



TE ĀHUA O Ā
MĀTOU MAHI
**OUR
PERFORMANCE**



Statement of performance

Te tauākī mahi

The 2021/22 SPE, combined with our 2020–2024 SOI, provide the strategic direction and priorities for our organisation.

The 2021/22 SPE sets out our expected non-financial and financial performance for the year to 30 June 2022. The section reports on our performance against these expectations over the last year.

Reportable outputs

- 1 Fire prevention, including promotion of fire safety, compliance and enforcement
- 2 Fire response and suppression
- 3 Render safe hazardous substances and provide for safety at incidents
- 4 Rescue as a result of transport accidents and urban search and rescue
- 5 Respond to other emergencies, including medical, maritime, other rescues and natural hazard events
- 6 Organisational health and capability
- 7 Crown public good contribution

Reportable outputs

The industrial action of the NZPFU commenced on 13 June 2022, three weeks prior to the year ending 30 June 2022. While incidents continued to be responded to by NZPFU career firefighters, the incident type was not being recorded in our Station Management System (SMS) as part of the industrial action. As a result, there was a drop in volumes in performance data summarised by incident type, for example, response to structure fires.

Our performance of measures reported in this section of the Annual Report is based on 12 months of response data, and where applicable, less three weeks during the industrial action period. No performance measures were materially impacted by the industrial action.

1 Fire prevention, including promotion of fire safety, compliance and enforcement

Fire prevention is one of the main areas of our commitment to protect Aotearoa. Our focus is to help build hapori resilience so that people and communities are equipped with fire safety knowledge, are aware of their risks and know what action to take.

Output 1.1: Promote fire safety

Every year we promote fire safety by delivering campaigns, educational programmes and advice – nationally and locally. We aim to change people's behaviour by telling them about fire risks and how to reduce those risks.

Measure	2021/22 2020/21			
	Target	Actual	Met	Actual
1.1.1 Rate of recidivism among Fire Awareness and Intervention Programme participants	Below 10%	2.6%	☑	6%
1.1.2 Percentage of schools with year 1 and 2 students offered the Get Firewise Programme	100% by 30 June 2023	58%	☹	First year of a two-year cycle
1.1.3 Percentage of schools with year 1 and 2 students who complete the Get Firewise Programme	60% by 30 June 2023	21%	☹	First year of a two-year cycle
1.1.4 Percentage of survey respondents with an escape plan ⁷	62%	60%	☒	61%

Notes: Following a successful campaign, the incidence of escape plans dropped. Our further research indicates this is due to cognitive bias – our campaign helped people realise their plan was not adequate and therefore not reporting they had an (adequate) escape plan. The results for this measure increased in Quarters 3 and 4; however this was not enough to compensate for the drop.

1.1.5 Percentage of survey respondents with at least one installed and working smoke alarm ⁶	88%	87%	☒	87%
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Notes: We ran a successful 'Smokey' smoke alarm campaign, promoting key messages on checking and installing smoke alarms. The results for this metric trended up in Quarters 2, 3 and 4; however this was not enough to compensate for a low result in Quarter 1.

1.1.6 Percentage of Home Fire Safety Visits delivered in 'medium- and high-risk communities' ⁸	40%	38%	☒	36%
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Notes: We saw an improvement in Quarter 4 (41 percent), from 37 percent, 37 percent and 40 percent in Quarters 1, 2 and 3 respectively. However, COVID-19 measures impacted our ability to undertake home fire safety visits.

1.1.7 Maintain an organisational relationship satisfaction rate with stakeholders	60%	74%	☑	New measure
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⁷ Fire and Emergency's public tracking survey is conducted by Kantar Public (trading as Colmar Brunton). The sample size is approximately n=1,000 per quarter, n=4,022 total from 1 July 2021 to 30 June 2022. The margin of error was +/- 3.1 percent on a sample of 1,000. The response rate was 33 percent.

⁸ 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.

Output 1.2: Provide fire prevention services

We provide fire engineering and technical fire safety advice on building design to government, industries and councils. This includes:

- processing building consent applications covering the fire engineering design on buildings
- approving and monitoring fire evacuation schemes
- advising other regulatory agencies about fire safety compliance.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
1.2.1 Rate of connected PFA false alarms ⁹ per 100 connections	< 60:100 connections	56:100	☑	56:100

Output 1.3: Assist in setting fire safety standards, and granting certificates or approvals

Our role as a regulator includes setting standards where we have a number of responsibilities. These include, but are not limited to:

- preparing and issuing local area fire plans
- prohibiting fire in the open air
- granting fire permits
- declaring prohibited or restricted fire seasons.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
1.3.1 Percentage of fire permits processed within required time frames ¹⁰	95%	97%	☑	96%

Output 1.4: Ensure compliance with standards through monitoring and enforcement

Regulatory compliance forms part of our risk reduction work to keep our communities, property and our people safe. We are working on how best to measure effectiveness with our regulatory compliance specialists for this output subclass.

⁹ Private fire alarms (PFAs) are connected directly to Fire and Emergency.

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

2 Fire response and suppression

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

Output 2.1: Response to fire

Responding to structure and vegetation fires, and wildfires nationally and internationally is our main response function.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
2.1.1 Percentage of structure ¹¹ fires arrived at by career crews within 8 minutes	80%	79%	⊗	80%
Notes: Increased urban growth and sprawl, traffic and speed control measures (e.g. speed bumps, lowering of road speeds and construction) can impact response times.				
2.1.2 Percentage of structure fires arrived at by volunteer crews within 11 minutes	85%	81%	⊗	84%
Notes: While most drive times were generally within target, improving the time taken for a full volunteer crew to assemble and be ready to depart the station continues to be a focus. Unavailability of the closest station to respond also impacts response times.				
2.1.3 Percentage of vegetation fires arrived at within 30 minutes (anywhere in New Zealand)	90%	94%	⊙	94%
2.1.4 All regions to complete a wildfire simulation exercise	By 30 June 2022	Not achieved	⊗	Achieved
Notes: COVID-19 restrictions during the year impacted the ability to undertake simulation exercises in all regions.				
2.1.5 Percentage of Communications Centre events dispatched for all incidents in rural environments within 2 minutes of receiving the 111 call	85%	90%	⊙	88%
2.1.6 Percentage of Communications Centre ¹² events dispatched for all incidents in urban environments, within 90 seconds of receiving the 111 call	85%	89%	⊙	85%

¹¹ Structure fires within urban environments.
¹² 111 fire calls are passed on to one of our three Communication Centres who provide the essential link between the hapori and our operational units to respond to the incident.

3 Render safe hazardous substances and provide for safety at incidents

The system for managing hazardous substances involves multiple entities. 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 the social, economic and environmental impacts of emergencies, and how affected communities recover from these events.

Output 3.1: Response to hazardous substances incidents

Responding to hazardous substances 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.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
3.1.1 Percentage of hazardous substances incidents arrived at by crews with specialist resources ¹³ within 60 minutes	85%	94%	⊙	92%

Output 3.2: Assist in promoting the safe use of hazardous substances

Promoting the safe use of hazardous substances is an additional function and includes handling, labelling, signage, storage and transportation. We are working on how best to measure effectiveness with our hazardous substance specialists for this output subclass.

¹³ Specialist resources means attendance by Fire and Emergency personnel with specialist skills or hazmat command vehicles. These are specialised units designed for the use of 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.

4 Rescue as a result of transport accidents and urban search and rescue

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.

Output 4.1: Response to transport accidents

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.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
4.1.1 Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes	90%	97%	✓	97%

Output 4.2: Provide urban search and rescue services

Unplanned events are happening more often, and becoming more severe. Responding to 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.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
4.2.1 Complete USAR annual exercise to maintain international classification	By 30 June 2022	Not achieved	✗	Classification maintained

Notes: COVID-19 restrictions during the year impacted our ability to complete the USAR annual exercise. Our international classification has been extended until such time as the annual exercise is able to be completed.

5 Respond 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 on delivering timely response services that follow good practice and contributing to discussions and forums with stakeholders and partners.

Output 5.1: Assist in responding to medical emergencies

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. 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 defibrillation and CPR as soon as possible.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
5.1.1 Percentage of career crews who respond to medical emergencies ¹³ within eight minutes	85%	82%	✗	85%

Notes: Increased urban growth and sprawl, traffic and speed control measures (e.g. speed bumps, lowering of road speeds and construction) can impact response times.

5.1.2 Percentage of volunteer crews who respond to medical emergencies within 11 minutes	80%	75%	✗	79%
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Notes: Improving the time taken for a full volunteer crew to assemble and be ready to depart the station continues to be a focus. Unavailability of the closest station to respond also impacts response times.

Output 5.2: Assist in responding to other (non-medical-related) emergencies

Responding to other emergencies is an additional function and includes 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 information and data for this output subclass – for information only.

See page 9 Our year at a glance for more information.

Output 5.3: Assist in responding to non-transport-related rescue incidents

Performing rescues is an additional function and includes line and animal rescues, rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres, and swift water. This covers rescue events other than transport-related accidents. We collect response information and data for this output subclass – for information only.

See page 9 Our year at a glance for more information.

¹³ Medical emergencies within urban environments.

6 Organisational health and capability

We continued work to lift our organisation's health and capability over the past year as noted in this report.

Output 6.1: Milestone-based performance measures

In addition to our reportable outputs, we have identified other measures that tie in with key programmes of work and associated milestones. These cover a range of functional areas and deliverables across the organisation.

Measure	Target	Actual	2021/22	2020/21
			Met	Actual
6.1.1 Consider the lessons learned from the Year 1 evaluation of the first seven LACs to inform next steps	By 30 June 2022	Achieved	✓	New measure
6.1.2 Cultural competency framework tested and confirmed	By 30 June 2022	Achieved	✓	New measure
6.1.3 Report six monthly to the public and our people on the progress made to deliver the Positive Workplace Programme	By 30 June 2022	Achieved	✓	New measure
6.1.4 Establish the Behaviour and Conduct Office with agreed scale and time frames	By 30 June 2022	Achieved	✓	New measure
6.1.5 Conduct a review of volunteer, family and employer recognition activities and develop a three-year implementation plan	By 30 June 2022	Achieved	✓	New measure
6.1.6 Develop processes, tools and templates, and advice to guide local planning to assist its integration into organisational planning processes	By 30 June 2022	Achieved	✓	New measure
6.1.7 Develop a climate change adaptation and mitigation plan consistent with the Carbon Neutral Government Programme	By 30 June 2022	Achieved	✓	New measure
6.1.8 COVID-19 Response and Recovery Fund projects already complete or in the process of handover	21	19	✗	New measure

Notes: The remaining two build projects are scheduled to be completed by Quarter 2 2022/23. COVID-19 control measures and associated construction sector supply pressures resulted in milestone delays.

Crown public good contribution

This year, Fire and Emergency received \$10 million from the Crown through Vote Department of Internal Affairs. This reflects the Crown's contribution towards the public good component of services Fire and Emergency provides. We put this contribution towards activities including meeting outputs that align to our additional functions: responding to medical emergencies and our obligations, such as responding to official information requests and statutory reporting.

Measure	2021/22			2020/21
	Target	Actual	Met	Actual
Crown contributions are spent on public good services that are unrelated to property or motor vehicle insurance	Achieved	Achieved	✓	Achieved

Output class reporting

Te arotakenga o ngā whāinga

1.0 Fire prevention including promotion of fire safety, compliance and enforcement

	2022 Actual \$000	2022 Budget \$000
1.1 Promote fire safety		
Levy	68,586	65,072
Other revenue	2,925	2,109
Total revenue	71,511	67,181
Total expenditure	69,501	65,251
Net surplus/(deficit)	2,010	1,930
1.2 Provide fire prevention services		
Levy	11,144	10,594
Other revenue	243	343
Total revenue	11,387	10,937
Total expenditure	11,293	10,623
Net surplus/(deficit)	94	314
1.3 Assist in setting fire safety standards and granting certificates or approvals		
Levy	26,743	28,525
Other revenue	1,873	924
Total revenue	28,616	29,449
Total expenditure	27,099	28,603
Net surplus/(deficit)	1,517	846
1.4 Ensure compliance with standards through monitoring and enforcement		
Levy	2,961	3,156
Other revenue	205	102
Total revenue	3,166	3,258
Total expenditure	3,000	3,165
Net surplus/(deficit)	166	94

2.0 Fire response and suppression

	2022 Actual \$000	2022 Budget \$000
2.1 Response to fire		
Levy	349,473	335,232
Other revenue	7,618	10,862
Total revenue	357,091	346,093
Total expenditure	354,202	336,150
Net surplus/(deficit)	2,889	9,943

3.0 Render safe hazardous substances and provide for safety at incidents

	2021 Actual \$000	2021 Budget \$000
3.1 Response to hazardous substances incidents		
Levy	6,460	13,550
Other revenue	1,431	439
Total revenue	7,891	13,989
Total expenditure	6,546	13,587
Net surplus/(deficit)	1,345	402
3.2 Assist in promoting the safe use of hazardous substances		
Levy	329	415
Other revenue	147	13
Total revenue	476	428
Total expenditure	334	416
Net surplus/(deficit)	142	12

4.0 Rescue as a result of transport accidents and urban search and rescue

	2022 Actual \$000	2022 Budget \$000
4.1 Response to transport accidents		
Levy	69,433	66,548
Other revenue	1,514	2,156
Total revenue	70,947	68,704
Total expenditure	70,359	66,730
Net surplus/(deficit)	588	1,974
4.2 Provide urban search and rescue (USAR) services		
Levy	22,948	10,275
Other revenue	2,540	333
Total revenue	25,488	10,608
Total expenditure	23,254	10,303
Net surplus/(deficit)	2,234	305

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

	2022 Actual \$000	2022 Budget \$000
5.1 Assist in responding to medical emergencies		
Levy	36,735	33,339
Other revenue	2,231	1,080
Total revenue	38,966	34,419
Total expenditure	37,225	33,430
Net surplus/(deficit)	1,741	989
5.2 Assist in responding to other (non-medical-related) emergencies		
Levy	43,333	49,109
Other revenue	3,795	1,543
Total revenue	47,128	50,652
Total expenditure	43,910	49,243
Net surplus/(deficit)	3,218	1,408
5.3 Assist in responding to non-transport-related rescue incidents		
Levy	27	378
Other revenue	1	61
Total revenue	28	439
Total expenditure	27	379
Net surplus/(deficit)	1	60





TE AROTAKENGA PŪTEA

OUR FINANCIALS

Financial statements

- Statement of responsibility
- Independent Auditor's report
- Financial commentary
- Statement of financial performance
- Statement of other comprehensive revenue and expense
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Reconciliation of net surplus/ (deficit) to net cash flow from operating activities
- Notes to the financial statements

Statement of responsibility Te tauākī haepapa

We are responsible for the preparation of Fire and Emergency New Zealand's financial statements and statement of performance, and for the judgements made in them.

We are also responsible for any end-of-year performance information Fire and Emergency New Zealand has provided under section 19A of the Public Finance Act 1989.

We are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operation of Fire and Emergency New Zealand for the year ended 30 June 2022.

For and on behalf of the Board:

Rebecca Keoghan

Chair
6 December 2022

Malcolm Inglis

Deputy Chair
6 December 2022

Independent Auditor's report

Te rīpoata a te kaiarotake tūtahi

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Fire and Emergency New Zealand's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Fire and Emergency New Zealand (Fire and Emergency). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of Fire and Emergency on his behalf.

Opinion

We have audited:

- the financial statements of Fire and Emergency on pages 72 to 111, that comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of Fire and Emergency on pages 18 to 31 and 50 to 60.

In our opinion:

- the financial statements of Fire and Emergency on pages 72 to 111:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 18 to 31 and 50 to 60:
 - presents fairly, in all material respects, Fire and Emergency's performance for the year ended 30 June 2022, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 6 December 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board for the financial statements and the performance information

The Board are responsible on behalf of Fire and Emergency for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of Fire and Emergency for assessing Fire and Emergency's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Fire and Emergency, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to Fire and Emergency's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 Fire and Emergency's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within Fire and Emergency's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fire and Emergency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Fire and Emergency to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board are responsible for the other information. The other information comprises the information included on pages 5 to 116, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of Fire and Emergency in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a probity assurance engagement which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, Fire and Emergency.



Andrew Clark

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Financial commentary

Ngā kōrero ahumoni

Fire and Emergency is operating within its 2021/22 Statement of Performance Expectations (SPE) Te Tauākī o ngā Taumata Mahi me Tutuki. The 2021/22 SPE anticipated net operating surpluses of \$18.27, \$12.51 and \$13.60 million over the three-year period 2021/22 to 2023/24, and capital expenditure of \$280.50 million over the same period to provide both emergency services and enabling infrastructure capability.

Fire and Emergency continued to operate soundly in 2021/22 despite the ongoing impacts of COVID-19. Revenue at \$662.70 million was four percent higher than budget and although expenditure also increased, Fire and Emergency generated a net operating surplus of \$15.95 million compared to the SPE budget of \$18.28 million.

Fire and Emergency invested \$89.56 million, exactly one-third of the three year programme in capital renewal and refurbishment during the year, continuing its significant investment programme in fire stations (64 percent), fire appliances (14 percent), computer equipment (11 percent) and operating equipment (11 percent).

In the Statement of financial performance, the majority of revenue is received from levies on property, construction and motor vehicle insurance. Levy revenue tracked above budget throughout the year reaching \$638.17 million by year-end, which was \$21.98 million higher than budget. The increase in levy revenue was largely due to the increased construction activity.

Expenditure over the year totalled \$646.75 million, which was \$28.87 million higher than budget. The increase was due to provisioning for deferred employment contract obligations, additional salary costs to replace firefighters absent with or isolating due to COVID-19, escalation of depreciation on fire appliances in advance of transitioning to more carbon efficient vehicles, and reclassification of Software as a Service.

COVID-19 continued to impact Fire and Emergency's expenditure in various ways throughout the year. Career Firefighter salary and wages were higher, especially in the last quarter of the year, due to the need to cover shifts when firefighters were sick or in isolation. These increases were partially offset by savings in clothing, training and travel due to supply issues and cancellation of events. There was also a significant impact on the capital programme with supply chain issues causing delays, particularly in fire appliances and operational equipment.

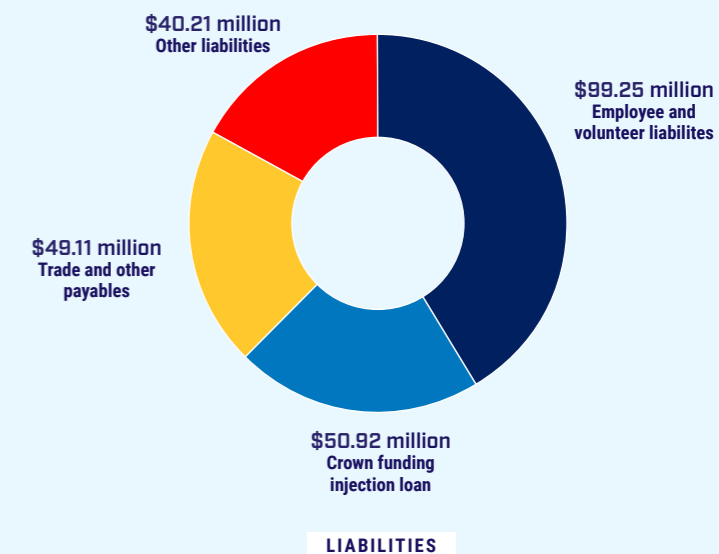
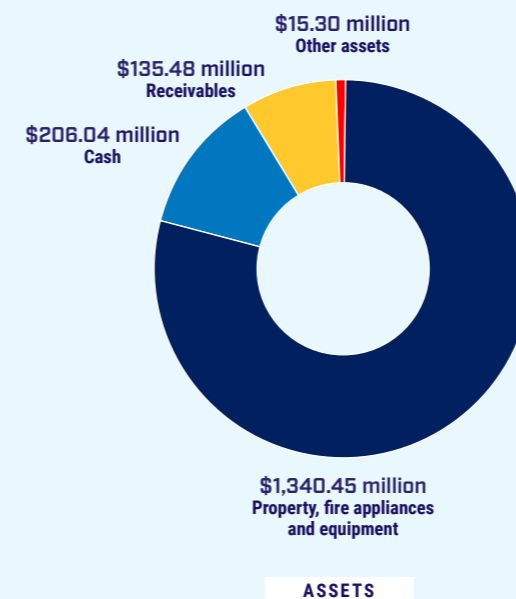
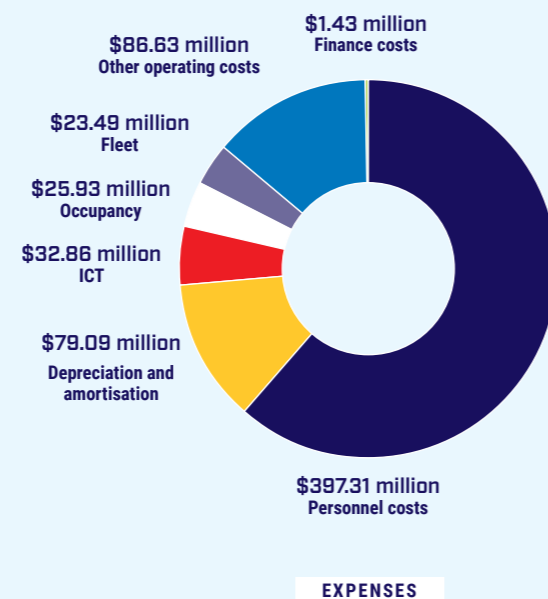
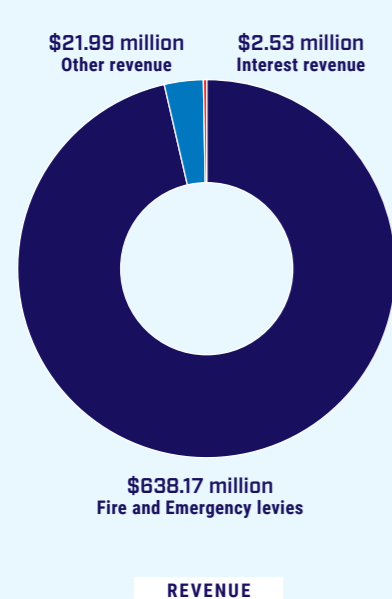
In 2020, the Government approved a capital injection of \$51.30 million from the COVID-19 Response and Recovery Fund (CRRF) to rebuild and upgrade 26 fire stations. This programme is now almost complete with 24 of the stations completed or in the process of handover, and the remaining two expected to be completed by December 2022.

The impacts of COVID-19 have also increased cash holdings through deferral in the replacement of assets due to logistic and supply issues. At year end cash and cash equivalents totalled \$206.04 million. This is a positive outcome because additional funding is needed for operating cash flow, seismic upgrades, replacement of capital assets and future delays in levy receipts when new levy provisions are implemented under part 3 of the Fire and Emergency Act.

Funding of the capital programme will continue to be a significant challenge for the organisation with more than \$2.5 billion required to replace fire appliances and renew and refurbish fire stations over the next 20 years. We continue to work with our stakeholders to consider how this could be achieved.

The value of our land and buildings increased by \$135.11 million due to ongoing capital investment and increases in property values.

Total equity (or the value of the organisation) increased by \$183.07 million to \$1.46 billion and maintains our strong financial position.



Revenue

Over 95 percent of our revenue is received through the Fire and Emergency Levy. Levy revenue was \$638.17 million for the year, which was \$21.98 million higher than budget. This is largely due to the increase in one-off contract works from the higher level of construction activity throughout the country.

Non-levy revenue was \$24.52 million for the year. This was \$4.56 million higher than budget due to cost recoveries for the Lake Ohau fire, settlement of historical claims and increased interest income.

Expenses

The majority of our costs relate to personnel. In 2021/22 we incurred costs of \$397.31 million on salaries and wages, superannuation, ACC levies, and employee and volunteer benefits. Personnel costs were \$18.26 million higher than budget, mainly due to provisioning for deferred employment contract obligations.

All other expenses totalled \$249.44 million. This was \$10.61 million higher than budget. Depreciation and amortisation expense was \$6.12 million higher than budget due to the restatement of useful lives of some fire appliances, off-set by the reclassification of Software as a Service from capital expenditure to operating expenditure.

Assets

Fire and Emergency manages assets of \$1.70 billion, of which \$1.34 billion comprises land, buildings, fire appliances and equipment. During the year, we invested \$89.56 million in fire stations, fire appliances, motor vehicles and other assets. This was slightly below budget due to COVID-19 impacting planned projects through global supply chain issues and availability of contractors.

In late 2020, it was announced by the Government that the Public Sector was to be carbon neutral by 2025. Fire and Emergency will transition to a lower carbon emission fleet at an increased rate to meet this deadline. As a consequence, depreciation expense on fire appliances was accelerated in 2020/21 and 2021/22, and resulted in an increased depreciation expense of \$11.40 million this year.

Receivables, the second largest asset, was \$135.48 million at year end. Over 95 percent of this is levies due.

Cash and cash equivalents

Cash and cash equivalents were \$206.04 million at year end. Cash holdings have increased over the last 2–3 years due to the impacts of COVID-19 which have reduced operational expenditure and delayed the replacement of capital assets. Cash is held in reserve to fund:

- Operating cash flow – minimum cash balances of \$50 million are required for working capital, a liquidity buffer, and to fund significant adverse events
- Seismic resilience – upgrades of buildings at seismic risk
- Capital infrastructure – capital programmes which have been deferred due to the Christchurch Rebuild and disruptions to the production of fire appliances
- Capital investment – replacement of fleet vehicles and buildings which are at the end of their useful life
- Delay in levy receipts – future delays in the payment of levies when new levy provisions are implemented under part 3 of the Act.

Liabilities

Fire and Emergency continues to maintain a low level of liabilities. Liabilities totalled \$239.48 million at year end and include employee and volunteer leave and entitlements of \$99.25 million and accrued Crown loan repayments of \$50.92 million.

Statement of financial performance

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Revenue				
Levy		638,172	616,191	604,297
Interest revenue		2,534	1,200	1,152
Other revenue	2	21,989	18,766	24,725
Total revenue		662,695	636,157	630,174
Expense				
Employee and volunteer benefits expense	3	397,311	379,051	364,542
Depreciation and amortisation expense	7, 8	79,094	72,978	71,793
Finance cost		1,432	1,243	1,149
Other expense	4	168,913	164,609	155,238
Total expense		646,750	617,881	592,722
Net surplus/(deficit)		15,945	18,276	37,452

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Statement of other comprehensive revenue and expense

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Net surplus/(deficit)		15,945	18,276	37,452
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Gain on revaluation of land and buildings	7	135,112	30,000	103,624
Total other comprehensive revenue and expense		135,112	30,000	103,624
Total comprehensive revenue and expense		151,057	48,276	141,076

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Assets				
Current assets				
Cash and cash equivalents	5	206,039	114,401	150,308
Trade and other receivables	6	135,480	131,251	129,414
Prepayments		4,087	2,210	3,409
Non-current assets held for sale		3,365	422	925
Total current assets		348,971	248,284	284,056
Non-current assets				
Property, plant and equipment	7	1,340,448	1,193,848	1,198,174
Intangible assets	8	7,852	32,819	12,143
Total non-current assets		1,348,300	1,226,667	1,210,317
Total assets		1,697,271	1,474,951	1,494,373
Liabilities				
Current liabilities				
Trade and other payables	9	49,105	37,568	47,326
Employee and volunteer benefits	10	52,802	33,681	40,768
Borrowings	11	15,725	14,942	13,428
Provisions	12	18,112	2,155	8,440
Other current liabilities		384	-	-
Total current liabilities		136,128	88,346	109,962
Non-current liabilities				
Employee and volunteer benefits	10	46,448	49,156	51,439
Borrowings	11	49,373	38,835	53,612
Provisions	12	6,284	5,297	4,636
Other non-current liabilities		1,249	-	-
Total non-current liabilities		103,354	93,288	109,687
Total liabilities		239,482	181,634	219,649
Net assets		1,457,789	1,293,317	1,274,724
Equity				
Accumulated funds	13	754,211	818,833	748,150
Seismic resilience reserve	13	37,372	-	20,170
Capital infrastructure investment reserve	13	6,634	-	13,586
Crown funding injections	13	56,458	49,374	24,450
Revaluation reserves	13	603,114	425,110	468,368
Total equity		1,457,789	1,293,317	1,274,724

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Equity as at 1 July				
Total comprehensive revenue and expense		151,057	48,276	141,076
COVID-19 Response and Recovery Fund injection		32,008	30,082	19,292
Loan fair value adjustment		-	-	336
Equity as at 30 June	13	1,457,789	1,293,317	1,274,724

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Cash flows from operating activities				
Receipts from levy		633,959	613,690	607,346
Receipts from other revenue		19,678	22,221	24,714
Interest received		2,142	1,165	1,184
Net GST received/(paid)		1,196	-	(151)
Payments to employees and volunteers		(381,999)	(383,061)	(369,317)
Payments to suppliers for goods and services		(159,475)	(170,956)	(150,816)
Net cash flow from operating activities		115,501	83,059	112,960
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		3,754	-	3,520
Purchase of property, plant and equipment		(92,964)	(96,620)	(92,129)
Purchase of intangibles		806	(13,522)	(62)
Net cash flow from investing activities		(88,404)	(110,142)	(88,671)
Cash flows from financing activities				
Proceeds from repayable Crown funding injection	11	-	-	19,089
COVID-19 Response and Recovery Fund injection	13	32,008	30,082	19,292
Repayments of repayable Crown funding injection	11	(13,000)	(13,000)	(13,000)
Payments on finance leases		10,340	(1,092)	(1,084)
Interest paid		(714)	(218)	(283)
Net cash flow from financing activities		28,634	15,772	24,014
Net increase/(decrease) in cash and cash equivalents		55,731	(11,311)	48,303
Cash and cash equivalents at beginning of the year		150,308	125,713	102,005
Cash and cash equivalents at end of the year	5	206,039	114,401	150,308

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	2022 Actual \$000	2021 Actual \$000
Surplus/(deficit)	15,945	37,452
Add/(subtract) non cash items		
Depreciation and amortisation expense	79,094	71,793
Interest amortisation	719	866
Donated assets	(12)	(349)
Total non cash items	79,801	72,310
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	1,099	1,057
Interest on finance leases	713	283
Total items classified as investing or financing activities	1,812	1,340
Add/(less) movements in working capital items		
(Increase)/decrease in trade and other receivables	(6,066)	2,129
(Increase)/decrease in prepayments	(678)	1,128
Increase/(decrease) in trade and other payables	4,691	(1,013)
Increase/(decrease) in employee and volunteer benefits	7,043	(4,692)
Increase/(decrease) in provisions	12,953	4,306
Net movement in working capital items	17,943	1,858
Net cash inflow/(outflow) from operating activities	115,501	112,960

Explanations of major variances against budget are provided in Note 21. The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies for the year ended 30 June 2022

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 is a Crown entity as defined by the Crown Entities Act 2004. Fire and Emergency's ultimate parent is the New Zealand Crown. Fire and Emergency is a stand-alone entity. As a Crown entity, Fire and Emergency is a public body accountable to the Responsible Minister, Parliament and the New Zealand public for the statutory functions it undertakes, the services it delivers and the resources it manages.

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. Fire and Emergency's functions are to deliver services to the New Zealand public rather than to make a financial return. Fire and Emergency has designated itself as a public benefit entity (PBE) for financial reporting purposes.

These financial statements for Fire and Emergency are for the year ended 30 June 2022 and were authorised for issue by the Board on 6 December 2022.

Basis of preparation

Statement of compliance

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. These 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).

Fire and Emergency is a Tier 1 entity and the financial statements have been prepared in accordance with PBE Standards. These financial statements comply with PBE Standards.

Presentation currency and rounding

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

Standards issued and not yet effective and not early adopted

PBE IPSAS 41 Financial Instruments

The External Reporting Board XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022, with early adoption permitted. Fire and Emergency does not intend to early adopt the amendment. Although Fire and Emergency has not assessed the effect of the new standard, it does not expect any significant changes as requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022, with early adoption permitted. Fire and Emergency does not intend to early adopt the amendment. Fire and Emergency has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

There are no other standards or amendments issued that are expected to have a material impact on Fire and Emergency.

Changes in accounting policies

There was a change in accounting policy during the financial year for configuration or customisation costs in relation to Software as a Service (SaaS) arrangements. The change was to align with the recent interpretation of the International Reporting Interpretations Committee (IFRIC) agenda decision. Previously, the configuration or customisation costs were capitalised as an intangible asset, the majority of these costs are now expensed through the statement of comprehensive revenue and expense.

There were no other changes in accounting policies during the financial year.

Comparative information

When the presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period, unless it is impracticable to do so.

The 2021 Actual comparative figures, including opening balances have been restated to reflect the change in accounting policy on configuration or customisation costs in relation to Software as a Service (SaaS) arrangements.

This has resulted in the derecognition of some intangible assets and work in progress, an adjustment to the associated amortisation and operating expenses.

The 2021 Actuals comparative information has been restated as below to account for these changes.

	2021 Published \$000	Adjustments \$000	2021 Restated \$000
Statement of comprehensive revenue and expense			
Employee and volunteer benefits expense	362,023	2,519	364,542
Depreciation and amortisation expense	77,277	(5,484)	71,793
Other expense	152,972	2,266	155,238
Total expenses	593,421	(699)	592,722
Net surplus/(deficit)	36,753	699	37,452
Total comprehensive revenue and expense	140,377	699	141,076
Statement of financial position			
Property, plant and equipment	1,202,451	(4,277)	1,198,174
Intangible assets	24,758	(12,615)	12,143
Total non-current assets	1,227,209	(16,892)	1,210,317
Total assets	1,511,265	(16,892)	1,494,373
Net assets	1,291,616	(16,892)	1,274,724
Accumulated funds	765,042	(16,892)	748,150
Total equity	1,291,616	(16,892)	1,274,724
Total equity and liabilities	1,511,265	(16,892)	1,494,373
Statement of changes in equity			
Equity as at 1 July	1,131,611	(17,591)	1,114,020
Total comprehensive revenue and expense	140,377	699	141,076
Equity as at 30 June	1,291,616	(16,892)	1,274,724

	2021 Published \$000	Adjustments \$000	2021 Restated \$000
Statement of cash flows			
Cash flows from operating activities			
Payments to employees and volunteers	(366,798)	(2,519)	(369,317)
Payments to suppliers for goods and services	(148,550)	(2,266)	(150,816)
Net cash flows from operating activities	117,745	(4,785)	112,960
Cash flows from investing activities			
Purchase of property, plant and equipment	(94,956)	2,827	(92,129)
Purchase of intangible assets	(2,020)	1,958	(62)
Net cash flows from investing activities	(93,456)	4,785	(88,671)

Summary of significant accounting policies

Significant accounting policies are included in the note to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Levy revenue

Levy is payable on all contracts of insurance against the risk of fire where assets in New Zealand are covered. Levy receipts are regarded as non-exchange transactions, as the payment of levy does not of itself entitle a levy payer to an equivalent value of services or benefits, because there is no relationship between paying levy and receiving services from Fire and Emergency.

Levy revenue is recognised as revenue when the obligation to pay the levy is incurred.

Volunteer services

The operations of Fire and Emergency are dependent on the services provided by volunteer firefighters. Their contributions are essential to the provision of a comprehensive, efficient and effective emergency service throughout New Zealand. Fire and Emergency provides a small number of gratuities and reimbursements to volunteer firefighters which are recognised as expenditure. The total value of volunteer services received is not recognised as revenue or expense by Fire and Emergency due to the difficulty of measuring the fair value with reliability.

Foreign currency transactions

Foreign currency transactions are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

Figures reported in the financial statements are goods and services (GST) exclusive with the exception of receivables and payables, which are disclosed 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 or payable to the Inland Revenue, is included as part of receivables or payables in the Statement of financial position. Commitments and contingencies are disclosed as GST exclusive. The Statement of cash flows has been prepared on a net GST basis, with cash receipts and payments presented GST exclusive. A net GST presentation has been chosen to be consistent with the presentation of the Statement of financial performance and Statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of cash flows. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Income tax

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

Budget figures

The budget figures were approved by the Board on 25 June 2021 as part of the 2021/22 Statement of Performance Expectations (SPE). The budget figures are unaudited and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Expense allocation

Fire and Emergency allocates expense to outputs as follows:

- Direct expenditure is calculated by allocating direct costs to specific outputs, as well as via resource allocations based on the time spent at incidents.
- Indirect costs are allocated to outputs based on the proportion of direct expenditure.

Revenue allocation

The allocations of revenue to outputs are as follows:

- Levy revenue is allocated to each output based on the proportion of expenditure allocated to the outputs.
- Non-levy revenue that is directly related to outputs is allocated to those outputs.

Critical accounting estimates and assumptions

The preparation of financial statements in conforming with PBE IPSAS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expense. The 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 also reviewed on an ongoing basis and any changes to the estimates are recognised in the period in which they were revised. Any revision affecting future periods is recognised in the periods affected. Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the notes to the financial statements when they occur.

The following estimates and significant assumptions have the greatest risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Fair value of land and buildings – refer to Note 7.
- Useful lives and residual value of property, plant and equipment – refer to Note 7.
- Measuring long service leave and gratuities – refer to Note 10.
- Levy receivables – refer to Note 6.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Lease classification – refer to Note 11.

2. Other revenue

Non-exchange revenue

Non-exchange transactions are those where Fire and Emergency receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Non-exchange revenue is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds if conditions are not met.

Fire and Emergency recognises public good contributions and good corporate citizen contributions as non-exchange revenue.

Public good contributions relate to Government support for the public good element of Fire and Emergency services.

Good corporate citizen contributions are voluntarily assessed amounts paid by owners who do not insure their property.

Provision of services

Services to third parties (such as monitoring private fire alarms) is recognised in the financial year in which the services are provided in proportion to the stage of completion at balance date.

Rental revenue

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

Donated assets

Where a physical asset is acquired for no cost or nominal cost, the fair value of the asset received is recognised as revenue only when Fire and Emergency has control of the asset.

Volunteer Fire Brigades have assets that are donated or self-funded. As Fire and Emergency does not have control over these assets they are not recorded by Fire and Emergency in the financial statements. Maintenance support is provided by Fire and Emergency for these assets.

Where a physical asset is gifted or acquired by Fire and Emergency for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by the retail price of the same or similar assets at the time the asset was received; or
- For used assets, fair value is usually determined by market information for assets of a similar type, condition and age.

Donations, by their nature, vary each year. Donations this year include several vehicle donations.

	2022 Actual \$000	2021 Actual \$000
Non-exchange revenue		
Public good contributions	10,000	10,000
Good corporate citizen contributions	2,286	2,355
Donations	380	1,389
Total non-exchange other revenue	12,666	13,744
Exchange revenue		
Monitoring private fire alarms	1,518	1,463
Gain on disposal of property, plant and equipment	363	522
Insurance proceeds	580	490
Rental revenue	271	309
Miscellaneous revenue	6,591	8,197
Total exchange other revenue	9,323	10,981
Total other revenue	21,989	24,725

3. Employee and volunteer benefits expenses

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

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 financial performance 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.

	2022 Actual \$000	2021 Actual \$000
Salaries and wages	318,049	300,764
Employer contributions to superannuation schemes	25,220	24,406
ACC levies	3,778	3,045
Other employee and volunteer benefits expense	50,264	36,327
Total employee and volunteer benefits expense	397,311	364,542

Remuneration of employees

	2022 Actual \$000	2021 Actual \$000
Total remuneration paid or payable		
\$100,000–\$109,999	436	486
\$110,000–\$119,999	357	336
\$120,000–\$129,999	278	258
\$130,000–\$139,999	204	155
\$140,000–\$149,999	187	165
\$150,000–\$159,999	136	146
\$160,000–\$169,999	107	72
\$170,000–\$179,999	62	51
\$180,000–\$189,999	33	28
\$190,000–\$199,999	24	23
\$200,000–\$209,999	19	6
\$210,000–\$219,999	5	2
\$220,000–\$229,999	4	3
\$230,000–\$239,999	3	5
\$240,000–\$249,999	1	4
\$250,000–\$259,999	3	1
\$260,000–\$269,999	1	1
\$270,000–\$279,999	2	3
\$280,000–\$289,999	1	5
\$290,000–\$299,999	5	-
\$300,000–\$309,999	2	-
\$320,000–\$329,999	-	1
\$330,000–\$339,999	-	1
\$350,000–\$359,999	3	1
\$360,000–\$369,999	1	1
\$420,000–\$429,999	-	1
\$440,000–\$449,999	1	-
\$570,000–\$579,999	-	1
\$720,000–\$729,999*	1	-
Total employees	1,876	1,756

*Relates to departing Chief Executive

Firefighter remuneration

Firefighters included in the remuneration information above were:

	2022 Actual \$000	2021 Actual \$000
Number of firefighters with remuneration over \$100,000	1,175	1,118
Firefighters as a percentage of total employees over \$100,000	63%	64%
Top firefighter remuneration range	269,999	259,999

The remuneration values disclosed above include base pay and additional payments such as call-backs and overtime. Consequently, events such as severe weather where firefighters work extra hours to attend weather related call-outs over the period of the event have an impact on the number of employees included in the \$100,000 banding. Call-backs and overtime were also significantly affected by sickness and isolation due to COVID-19.

Other payments to employees and volunteers

Gratuities were paid out in accordance with the Act and Fire and Emergency policies to employees and volunteers who leave Fire and Emergency following a minimum of 10 years' service. There were 101 employees (2021: 72 employees) and 133 volunteers (2021: 144 volunteers) who received gratuities, costing a total of \$3.43 million (2021: \$1.91 million) and \$0.32 million (2021: \$0.35 million) respectively.

During the year, 24 employees were paid severances costing a total of \$1.52 million (2021: 14 employees, \$0.91 million).

Defined benefit scheme

The funding arrangements for the scheme are governed by section 44 of the National Provident Fund Restructuring Act 1990 and by a Trust Deed. This Act requires that any increase or decrease to the employer contribution rate should result in contributions being at a level which, on reasonable assumptions, is likely to achieve neither a surplus nor a deficit in the trust fund of the Defined Benefits Plan (DBP) scheme at the time that the last contributor to that scheme ceases to contribute. The Trust Deed specifies that immediately before the scheme is wound up, the assets and the interests of all contributors in the scheme will be transferred to the DBP Annuitants Scheme. Employers have no right to withdraw from the plan.

In practice, at present, a single contribution rate is determined for all employers, which is expressed as a multiple of the contributions of members of the scheme who are employees of that employer. The current employer contribution rate is four times contributor contributions, inclusive of Employer Contribution Withholding Tax. There is no minimum funding requirement.

As at 31 March 2022, the scheme had a past service deficit of \$0.60 million or 1.7 percent of the liabilities (exclusive of Employer Superannuation Contribution Tax) (2021: surplus of \$1.26 million or 2.2 percent of the liabilities). This surplus was calculated using a discount rate equal to the expected return on assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39 Employee Benefits.

The scheme had 64 members at 31 March 2022. One is a current employee of Fire and Emergency.

If a number of employers ceased to participate in the scheme, Fire and Emergency could be responsible for an increased share of any deficit.

4. Other expenses

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 lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Other expenses

Other expenses are recognised as goods and services received.

	2022 Actual \$000	2021 Actual \$000
Occupancy	25,928	26,173
Fleet	23,490	22,819
Computer maintenance and support	22,853	18,371
Professional fees and consultants	16,887	12,400
Clothing and other consumables	12,390	16,604
Communications	10,008	12,108
Hire of aerial services	9,639	6,005
Travel	7,485	8,549
Publicity and advertising	6,624	6,942
Repairs and maintenance	4,803	4,354
Insurance	4,573	3,923
Purchase of equipment < \$1,000	3,426	1,611
Grants	2,523	3,367
Research and development	1,635	1,130
Loss on disposal of property, plant and equipment	1,462	1,579
Printing, stationery and postage	1,203	1,521
Auditors – Audit NZ fees for statutory audit	260	244
Remuneration of the Board	191	202
Impairment of receivables	184	(13)
Other audit fees for other services	109	-
Auditors – Audit NZ fees for other services	10	15
Other expenses	13,230	7,334
Total other expenses	168,913	155,238

Operating lease expense

The following operating lease expenses are included in total other expenses.

	2022 Actual \$000	2021 Actual \$000
Occupancy – property leases	5,667	5,621
Occupancy – car park leases	169	156
Fleet – vehicle leases	4,203	4,371
Total operating lease payments	10,039	10,148

Remuneration of the Board and Committee members

		2022 Actual \$000	2021 Actual \$000
Rebecca Keoghan	Chair	64	32
Malcolm Inglis	Deputy Chair	31	28
Wendie Harvey	Member	28	28
Gwendoline Tepania-Palmer	Member	25	25
Danny Tuato'o	Member	22	-
Mary-Anne Macleod	Member	21	-
Hon. Paul Swain	Member (to August 2021)	-	64
Te Arohanui Cook	Member (to August 2021)	-	25
Total Board remuneration		191	202
Peter Taylor	Independent member Audit and Risk Committee	2	6
Total Board and Committee remuneration		193	208

Fire and Emergency has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

No Board or Committee members received compensation or other benefits relating to cessation (2021: \$nil).

5. Cash and cash equivalents

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

	2022 Actual \$000	2021 Actual \$000
Cash on hand and at bank	66,039	90,308
Short term deposits	140,000	60,000
Total cash and cash equivalents	206,039	150,308

Cash and cash equivalents were \$206.04 million at year end. Cash holdings have increased over the last 2-3 years due to the impacts of COVID-19 which have reduced operational expenditure and delayed the replacement of capital assets. Cash is held in reserve to fund:

- Operating cash flow – minimum cash balances of \$50m are required for working capital, a liquidity buffer, and to fund significant adverse events.
- Seismic resilience – upgrades of buildings at seismic risk.
- Capital infrastructure – capital programmes which have been deferred due to the Christchurch Rebuild and disruptions to the production of fire appliances.
- Capital investment – replacement of fleet vehicles and buildings which are at the end of their useful life.
- Delay in levy receipts – future delays in the payment of levies when new levy provisions are implemented under part 3 of the Act.

No collateral or other securities are held by Fire and Emergency with respect to cash and deposits at the financial institutions.

An unsecured short-term cash advance facility of up to \$10 million was established in June 2020 for a two-year term to help manage the impacts of COVID-19. The facility has been extended out to June 2024. No funds were drawn on the facility as at 30 June 2022 (2021: \$nil).

Sensitivity analysis

The weighted average effective interest rate for term deposits at 30 June 2022 was 2.17 percent (2021: 0.41 percent). As at 30 June 2022, if the interest rates increased/decreased by 25 basis points, the interest revenue for the year and accumulated funds would increase/decrease by \$0.52 million (2021: \$0.38 million).

Cash and cash equivalents management

Fire and Emergency aims to hold minimum cash reserves of at least \$50 million to provide funding for:

- working capital (to fund day-to-day operations) of \$25 million.
- liquidity buffer (to allow for delayed levy receipts and/or unexpected payments) of \$10 million.
- one significant adverse event (e.g. earthquake, major fire, terrorist event) of \$15 million.

In addition to the minimum cash reserves, as at June 2022, \$44.01 million (2021: \$33.76 million) was ring-fenced to support the following reserves:

		2022 Actual \$000	2021 Actual \$000
Seismic resilience reserve	13	37,372	20,170
Capital infrastructure investment reserve	13	6,634	13,586
Total reserves supported by cash and cash equivalents		44,006	33,756

6. Trade and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Fire and Emergency applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

	2022 Actual \$000	2021 Actual \$000
Receivables under non-exchange transactions		
Levy receivables	129,008	125,386
Total receivables under non-exchange transactions	129,008	125,386
Receivables under exchange transactions		
Other receivables	6,759	4,156
Less: allowance for credit losses	(287)	(128)
Total receivables under exchange transaction	6,472	4,028
Total receivables	135,480	129,414

Trade and other receivables mainly arise from Fire and Emergency's statutory functions, and the carrying value approximates their fair value. Fire and Emergency does not have any significant concentration of credit risk in relation to trade and other receivables. There are no procedures in place to monitor or report the credit quality with reference to internal or external credit ratings. No collateral is held as security for any trade and other receivables, and Fire and Emergency's credit exposures are limited to the individual balances. Fire and Emergency does not have any receivables at year end (2021: \$nil) that would otherwise be past due, but not impaired, whose terms have been renegotiated.

Allowance for credit losses

The expected credit loss rates for receivables are based on the payment profile over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. There have been no changes during the reporting in estimation techniques or significant assumptions used in measuring the loss allowance.

Critical accounting estimated and assumptions

Levy receivables

Levy receivables includes accrued levy. As information on levies charged is received by Fire and Emergency in arrears, a model is used to estimate the accrued levy. The model is based on information within Fire and Emergency's levy database. The model is subject to judgement on the amount of levy that will be received.

7. Property, plant and equipment

Property, plant and equipment are classed as land, buildings, fire appliances, motor vehicles, communications equipment, operational equipment, non-operational equipment, computer equipment and leasehold improvements. Assets under construction are included in the relevant asset class.

Land is measured at fair value. Buildings, excluding assets under construction, are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluations

Land and buildings are revalued annually to ensure that their carrying amount does not differ materially from fair value.

Land and building revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Fire and Emergency and the cost of the item can be measured reliably.

Assets under construction are recognised at cost less impairment and are not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Fire and Emergency and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated funds.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

Buildings	up to 70 years
Fire appliances	up to 30 years
Motor vehicles	up to 20 years
Communications equipment	up to 10 years
Computer equipment	up to 10 years
Operational equipment	up to 12 years
Non operational equipment	up to 15 years
Leasehold improvements	up to 10 years

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful life of the improvements. Assets recognised under a finance lease are depreciated over the shorter of the lease term or the estimated useful life of the asset.

Impairment

Fire and Emergency does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Impairment exists when the amount an asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. Impaired assets are written down to their recoverable amount.

For revalued assets impairment losses are credited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent reversal of impairment that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

For assets that are not revalued impairment losses and reversals of impairment are recognised in the surplus or deficit.

Year ended 30 June 2022	Land	Buildings	Fire appliances	Motor vehicles	Communications equipment	Operational equipment	Non operational equipment	Computer equipment	Leasehold improvements	Total
	\$000									
Cost or valuation	413,885	486,893	376,433	8,598	58,619	126,903	37,381	20,864	9,028	1,538,604
Accumulated depreciation	-	-	(188,041)	(5,606)	(31,791)	(76,343)	(22,214)	(8,366)	(8,069)	(340,498)
Net book value at beginning of year	413,885	486,893	188,392	2,992	26,828	50,560	15,167	12,498	959	1,198,174
Acquisitions	2,551	55,033	12,066	150	3,234	9,942	375	6,199	14	89,564
Disposals	-	(343)	(6,141)	(39)	(32,882)	(2,326)	(9)	(238)	(552)	(42,530)
Transfers	(3,424)	(7,245)	(362)	262	15,903	587	4,221	(532)	3,106	12,516
Revaluation movement	69,202	41,917	-	-	-	-	-	-	-	111,119
Depreciation expense	-	(23,997)	(21,035)	(917)	(6,949)	(10,240)	(5,042)	(5,756)	(1,381)	(75,317)
Accumulated depreciation reversed on disposal/ transfers	-	4	4,370	71	15,966	1,975	-	-	543	22,929
Accumulated depreciation reversed on revaluation	-	23,993	-	-	-	-	-	-	-	23,993
Cost or valuation	482,214	576,255	381,996	8,971	44,874	135,106	41,968	26,293	11,596	1,709,273
Accumulated depreciation	-	-	(204,706)	(6,542)	(22,774)	(84,608)	(27,256)	(14,122)	(8,907)	(368,825)
Net book value at end of year	482,214	576,255	177,290	2,519	22,100	50,498	14,712	12,171	2,689	1,340,448
Includes assets under construction	5	51,502	20,359	62	6,352	8,144	591	9,648	22	96,685
Includes finance leases	-	-	-	-	13,278	804	-	-	-	14,082

Year ended 30 June 2021	Land	Buildings	Fire appliances	Motor vehicles	Communications equipment	Operational equipment	Non operational equipment	Computer equipment	Leasehold improvements	Total
	\$000									
Cost or valuation	327,578	440,575	360,224	8,264	55,985	121,565	35,535	30,515	9,018	1,389,259
Accumulated depreciation	-	-	(172,970)	(4,708)	(25,426)	(69,141)	(19,513)	(17,503)	(7,191)	(316,452)
Net book value at beginning of year	327,578	440,575	187,254	3,556	30,559	52,424	16,022	13,012	1,827	1,072,807
Acquisitions	3,629	51,577	22,403	389	2,474	8,896	218	4,466	-	94,052
Disposals	-	(939)	(5,800)	(130)	(20)	(3,798)	(17)	(14,025)	(218)	(24,947)
Transfers	(825)	(2,197)	(394)	75	180	240	1,645	(92)	228	(1,140)
Revaluation movement	83,503	(2,123)	-	-	-	-	-	-	-	81,380
Depreciation expense	-	(22,299)	(20,210)	(1,005)	(6,365)	(9,622)	(2,711)	(4,657)	(1,091)	(67,960)
Accumulated depreciation reversed on disposal	-	55	5,139	107	-	2,420	10	13,794	213	21,738
Accumulated depreciation reversed on revaluation	-	22,244	-	-	-	-	-	-	-	22,244
Cost or valuation	413,885	486,893	376,433	8,598	58,619	126,903	37,381	20,864	9,028	1,538,604
Accumulated depreciation	-	-	(188,041)	(5,606)	(31,791)	(76,343)	(22,214)	(8,366)	(8,069)	(340,430)
Net book value at end of year	413,885	486,893	188,392	2,992	26,828	50,560	15,167	12,498	959	1,198,174
Includes assets under construction	5	44,238	23,639	69	3,394	6,873	356	5,997	60	84,631
Includes finance leases	-	-	-	-	4,439	718	-	-	-	5,157

Critical accounting estimates and assumptions

Estimating the fair value of land and buildings

The most recent valuation of land and buildings was performed by an independent registered valuer, Telfer Young (Canterbury) Ltd. The valuation is effective as at 30 June 2022.

All properties are inspected in a three-year cycle, and a desktop valuation exercise is carried out on those properties that are not physically inspected. Fire and Emergency had 520 properties (2021: 500) in its property portfolio at year end, of which 243 (2021: 166) were inspected during the year (representing 47 percent of the portfolio).

Property consists primarily of special-purpose fire stations, land and buildings, which form an integral part of the operational network.

Specialised buildings are valued using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include the following:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts and costing databases/information.
- The remaining useful life of assets is estimated after considering factors such as physical deterioration, functional obsolescence and economic obsolescence.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings and land have been valued using market-based evidence. This approach involves reference to sales of properties which have similar attributes to the subject property. Subjective adjustments are applied where necessary to account for factors which have a direct impact on the sale price and value.

Land is valued on the highest and best use of the land. Where land is designated or zoned specifically for the activity of the Fire and Emergency, likely alternative use of the land and the prospect of the designation being uplifted has been considered.

Fire and Emergency requires a minimum standard for earthquake resilience of at least 67 percent of the current seismic loading standard as defined in the Building Act 2004 for fire stations (and other operational areas). A seismic strengthening programme is in place to identify and address any properties below 67 percent, which is based on a range of structural engineering work and risk assessment. The estimated cost of seismic strengthening works required is factored into the annual valuation process.

Property, plant and equipment useful lives and residential value

The useful lives and residual values of property, plant and equipment are reviewed at each balance date. Assessing the appropriateness of useful life and residual value estimates requires Fire and Emergency to 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 expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of financial position. Fire and Emergency minimises the risk of this estimation process by:

- physical inspection of assets
- asset replacement programmes
- analysis of previous asset sales.

As at 30 June 2022, Fire and emergency has not made any significant changes to past estimates of useful lives and residual values.

8. 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.

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 the software and bring it into use. Costs capitalised for internally developed computer software include the costs incurred in the development phase only. Expense incurred on research is recognised in the surplus or deficit, as well as costs that do not meet the criteria for capitalisation (including staff training and software maintenance).

Shared Information Technology Environment (SITE)

SITE is a systems and technology platform that supports receiving calls and dispatching resources to emergency incidents. The asset represents Fire and Emergency's proportional share of SITE located at communication centres shared with New Zealand Police (Auckland, Wellington and Christchurch). These SITE assets include intergraph computer aided dispatch (ICAD) software, a land mobile radio network, and associated telecommunications structures. New Zealand Police maintain SITE and proportionally charges Fire and Emergency. This charge is recognised in the surplus or deficit.

Disposals

Gains and losses on the disposal of intangible assets are determined by comparing the proceeds with the carrying amounts of the assets, less any disposal costs. Gains and losses on disposal are recognised in the surplus or deficit when they occur.

Amortisation

Amortisation is charged to the surplus or deficit 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	up to 10 years
Computer software purchased	up to 10 years
SITE	up to 10 years

Fire and Emergency does not own any intangible assets with an infinite life.

Impairment of intangible assets

The carrying amounts of intangibles are reviewed at least annually to determine if there is any indication of impairment. Impairment exists when an asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. Impaired assets are written down to their recoverable amount. Impairment losses and reversals of impairment on intangible assets are recognised in the surplus or deficit.

Restatement of intangible assets

The 2021 Actual comparative figures, including opening balances have been restated to reflect the change in accounting policy on configuration or customisation costs in relation to Software as a Service (SaaS) arrangements.

This has resulted in the derecognition of some intangible assets and work in progress, an adjustment to the associated amortisation and operating expenses.

Year ended 30 June 2022	Computer software (internally generated) \$000	Computer software (purchased) \$000	Shared Information Technology Environment (SITE) \$000	Total \$000
Cost or valuation	23,417	25,045	19,594	68,056
Accumulated amortisation	(16,805)	(20,742)	(18,366)	(55,913)
Net book value at beginning of year	6,612	4,303	1,228	12,143
Acquisitions	809	-	(1,115)	(306)
Disposals	362	(44)	-	318
Transfers	(624)	(381)	479	(526)
Amortisation expense	(2,211)	(1,333)	(233)	(3,777)
Accumulated amortisation reversed on disposal	-	-	-	-
Cost or valuation	23,964	24,620	18,958	67,542
Accumulated amortisation	(19,016)	(22,075)	(18,599)	(59,690)
Net book value at end of year	4,948	2,545	359	7,852
Includes assets under construction	2,310	-	41	2,351

Year ended 30 June 2021	Computer software (internally generated) \$000	Computer software (purchased) \$000	Shared Information Technology Environment (SITE) \$000	Total \$000
Cost or valuation	22,133	25,486	19,661	67,280
Accumulated amortisation	(14,369)	(19,381)	(18,330)	(52,080)
Net book value at beginning of year	7,764	6,105	1,331	15,200
Acquisitions	1,288	-	-	1,288
Disposals	(13)	(19)	-	(32)
Transfers	9	(422)	(67)	(480)
Amortisation expense	(2,436)	(1,361)	(36)	(3,833)
Accumulated amortisation reversed on disposal	-	-	-	-
Cost or valuation	23,417	25,045	19,594	68,056
Accumulated amortisation	(16,805)	(20,742)	(18,366)	(55,913)
Net book value at end of year	6,612	4,303	1,228	12,143
Includes assets under construction	1,763	425	1,157	4,699

No restrictions are placed over the title of Fire and Emergency's intangible assets, nor are any assets pledged as security for liabilities.

9. Trade and other payables

Short-term payables are recorded at the amount payable.

	2022 Actual \$000	2021 Actual \$000
Payables under exchange transactions		
Trade payables	16,125	14,428
Accrued expenses	22,118	23,091
Total payables under exchange transactions	38,243	37,519
Payables under non-exchange transactions		
Accident compensation	417	368
Liabilities subject to condition	-	-
Levy in advance	1,940	2,531
Income in advance	-	193
Taxation payables (GST, PAYE, FBT)	8,505	6,715
Total payables under non-exchange transactions	10,862	9,807
Total payables	49,105	47,326

Trade and other payables are non interest-bearing and are typically settled on 30 day terms. As a result, the carrying value of trade and other payables approximates their fair value.

10. Employee and volunteer benefits

Current employee and volunteer benefits

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. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and retirement and long service leave entitlements expected to be settled within 12 months. Non-accumulating absences such as maternity leave are compensated when the absences occur, and therefore no accrual is necessary. Sick leave is paid when taken under Fire and Emergency's wellness policy, and therefore no accrual is necessary. Gratuities for both paid personnel and volunteers are calculated on an actuarial basis.

Non-current employee and volunteer benefits

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, based on:

- years of service
- years until entitlement
- the likelihood staff will reach the point of entitlement
- contractual entitlements information
- present value of estimated future cash flows.

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 financial performance.

	2022 Actual \$000	2021 Actual \$000
Current employee and volunteer benefits		
Accrued salaries and wages	2,883	1,501
Annual leave	39,294	29,942
Long service leave and gratuities	10,625	9,325
Total current employee and volunteer benefits	52,802	40,768
Non-current employee and volunteer benefits		
Long service leave and gratuities	46,448	51,439
Total non-current employee and volunteer benefits	46,448	51,439
Total employee and volunteer benefits	99,250	92,207

Critical accounting estimates and assumptions

Measuring long service leave and gratuities

The valuation of long service leave and gratuities for both paid personnel and volunteers depends on a number of factors that are determined on an actuarial basis using a range of assumptions. Key economic assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions can have an impact on the carrying value of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible to, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

The discount rate used ranged from 3.34 percent to 4.47 percent (2021: 0.38 percent to 4.30 percent) and salary inflation factor of 2.5 percent (2021: 2.5 percent) was used.

If the discount rate was 1.0 percent lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$5.28 million higher (2021: \$6.36 million higher).

If the salary inflation factor was 1.0 percent higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$5.36 million higher (2021: \$6.64 million higher).

The valuations of long service leave and gratuities as at 30 June 2022 were conducted by an independent actuary, Eriksens Global.

11. Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless Fire and Emergency has an unconditional right to defer settlement of the liability at least 12 months after balance date.

Repayable Crown funding injection

The repayable Crown funding injection has been designated as a loan. The loan is at below-market interest rates and the loan is initially recognised at the present value of expected future cash flows, discounted using a rate for loans of a similar term and credit risk. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised as equity.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of an asset to Fire and Emergency, even if actual ownership is not transferred. At the commencement of a lease term, finance leases are recognised as assets and liabilities in the Statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Fire and Emergency will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.

	2022 Actual \$000	2021 Actual \$000
Current borrowings		
Repayable Crown funding injection	12,502	12,281
Finance leases	3,223	1,147
Total current borrowings	15,725	13,428
Non-current borrowings		
Repayable Crown funding injection	38,414	50,917
Finance leases	10,959	2,695
Total non-current borrowings	49,373	53,612
Total borrowings	65,098	67,040

Repayable Crown funding injection

The Crown approved funding of up to \$112 million in 2017 to help fund the transition to a unified national fire service, Fire and Emergency. Drawdown was spread over four years and the funding could only be used for the transition programme.

The funding injection is to be repaid over nine years from levy receipts, with the first instalment being paid on 29 June 2018 and the final instalment to be made by 30 June 2026. The carrying value of Crown borrowings due to the funding injection as at 30 June 2022 was \$50.92 million (2021: \$63.20 million) as set out below. The carrying value is based on cash flows discounted using the spot discount rate.

	2022 Actual \$000	2021 Actual \$000
Face value at the beginning of the year	64,939	58,850
Additional funding injection at face value	–	19,089
Deduct funding repayment at face value	(13,000)	(13,000)
Repayable Crown funding injection at face value	51,939	64,939
Deduct fair value adjustment at initial recognition	(5,158)	(5,158)
Accumulated interest amortisation	4,135	3,417
Carrying value at the end of year	50,916	63,198

Analysis of finance leases

Year ended 30 June 2022	Radio equipment \$000	Protective gear \$000	Gas Detectors \$000	Total \$000
Minimum lease payments payable				
Not later than one year	3,638	64	301	4,003
Later than one year and not later than five years	11,822	–	301	12,123
Later than five years	–	–	–	–
Total minimum lease payments	15,460	64	602	16,126
Future finance charges	(1,903)	(2)	(39)	(1,944)
Present value of minimum lease payments	13,557	62	563	14,182
Present value of minimum lease payments payable				
Not later than one year	2,888	62	273	3,223
Later than one year and not later than five years	10,669	–	290	10,959
Later than five years	–	–	–	–
Total present value of minimum lease payments	13,557	62	563	14,182

Year ended 30 June 2021	Radio equipment \$000	Protective gear \$000	Gas Detectors \$000	Total \$000
Minimum lease payments payable				
Not later than one year	1,298	75	–	1,373
Later than one year and not later than five years	2,750	64	–	2,814
Later than five years	–	–	–	–
Total minimum lease payments	4,048	139	–	4,187
Future finance charges	(334)	(11)	–	(345)
Present value of minimum lease payments	3,714	128	–	3,842
Present value of minimum lease payments payable				
Not later than one year	1,080	67	–	1,147
Later than one year and not later than five years	2,634	61	–	2,695
Later than five years	–	–	–	–
Total present value of minimum lease payments	3,714	128	–	3,842

There are no restrictions placed on Fire and Emergency by any of the finance leasing arrangements. Finance lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default in payment.

Critical judgements in applying accounting policies

Lease classification

Determining whether a lease agreement is finance or an operating lease requires judgement whether the agreement transfers substantially all the risks and rewards of ownership to Fire and Emergency.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

Fire and Emergency typically enters into finance leases for various items of plant and equipment and these are effectively secured, as the rights to the leased asset revert to the lessor in the event of default. The net carrying value of assets held under finance leases is included in Note 7.

12. Provisions

Fire and Emergency recognises a provision for future expense of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expense will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are distinct from other liabilities (such as trade payables) because there is uncertainty about the timing, or the amount of the future expense required in settlement. Fire and Emergency provides for the amount it estimates is needed to settle the obligation at its present value.

Fire and Emergency uses a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as a finance cost. Specific accounting policies for major provisions are outlined below.

Accident Compensation Corporation Partnership Programme (ACCPP)

Fire and Emergency belongs to the ACCPP, which is a full self-cover plan with the ACC. Under this plan, Fire and Emergency accepts the management and financial responsibility for employee work-related illnesses and accidents, manages all claims, and meets all claim costs for a period of four years. At the end of this period, the liability for ongoing claims passes to ACC, with Fire and Emergency paying a premium for the value of residual claims.

The provision for the ACCPP is calculated on an actuarial basis as the present value of expected future payments to be made in respect of employee injuries and claims up to balance date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Movements in the provision are recognised in the Statement of financial performance. Expected future payments are discounted using market yields on government bonds at balance date, with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employee benefits provision

The employee benefits provision includes an amount for contract settlements and a restructuring provision. The restructuring provision is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation of it has already started.

Lease make-good

The lease make-good provision covers the costs involved in returning leased items of property, plant and equipment to the state they were in when Fire and Emergency entered the lease. The expected future make-good costs were discounted using market yields on government bonds at balance date, with terms to maturity that match, as closely as possible, the estimated future payments.

PFAS

The Environmental Protection Authority amended the Firefighting Chemicals Group Standard 2017 to mandate the withdrawal of Class B firefighting foams containing substances known as per and poly fluoroalkyl substances (PFAS). The provision covers costs involved in cleaning and decontamination of PFAS foam-making equipment and appliances and storage and disposal of PFAS foams.

Loss of medical scheme

The loss of medical scheme provision provides insurance cover for personnel who contributed to a former medical compensation scheme and elected not to join Fire and Emergency's superannuation scheme.

Year ended 30 June 2022	ACC Partnership Programme \$000	Employee Benefits provision \$000	Lease make good \$000	PFAS \$000	Loss of medical scheme \$000	Total \$000
Opening balance	4,560	4,588	2,430	1,326	172	13,076
Additional provisions made	-	11,734	4,264	-	1	15,999
Amounts used	-	(1,917)	-	-	-	(1,917)
Unused amounts reversed	(52)	(1,914)	-	(796)	-	(2,762)
Closing balance	4,508	12,491	6,694	530	173	24,396
Current portion	2,238	12,491	2,680	530	173	18,112
Non-current portion	2,270	-	4,014	-	-	6,284

Year ended 30 June 2021	ACC Partnership Programme \$000	Employee Benefits provision \$000	Lease make good \$000	PFAS \$000	Loss of medical scheme \$000	Total \$000
Opening balance	4,140	2,209	2,250	-	171	8,770
Additional provisions made	420	3,048	302	1,326	1	5,097
Amounts used	-	(669)	-	-	-	(669)
Unused amounts reversed	-	-	(122)	-	-	(122)
Closing balance	4,560	4,588	2,430	1,326	172	13,076
Current portion	2,301	4,588	716	663	172	8,440
Non-current portion	2,259	-	1,714	663	-	4,636

13. Equity

Equity is the public's interest in Fire and Emergency and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Fire and Emergency.

Seismic Resilience Reserve

Fire and Emergency requires a minimum standard for earthquake resilience of at least 67 percent of the current seismic loading standard as defined in the Building Act 2004 for fire stations (and other operational areas). The Seismic resilience reserve was established in 2013 to ring-fence funds for the required upgrades. When Fire and Emergency approves a programme of works for seismic remediation (either strengthening or replacement) they are included in the reserve.

Capital Infrastructure Investment Reserve

The Capital Infrastructure Investment Reserve was established to track the balance of funds required to complete capital programmes deferred due to a focus on rebuilding Christchurch post-earthquake and to manage a gap in the production of Type 3 appliances.

Revaluation reserves

Revaluation reserves are used to record accumulated increases and decreases in the fair value of land and buildings. When a property is disposed of (either through sale or demolition), any balance in the revaluation reserve relating to that property is transferred to accumulated funds.

	Note	2022 Actual \$000	2021 Actual \$000
Accumulated funds			
Balance at beginning of year		748,150	693,970
Surplus for the year		15,945	37,452
Transfer (to)/from Capital Infrastructure Reserve		6,952	14,540
Transfer (to)/from Seismic Resilience Reserve		(17,202)	1,822
Transfers from disposal of land and buildings		366	366
Balance at 30 June		754,211	748,150
Seismic Resilience Reserve			
Balance at beginning of year		20,170	21,992
Transfer from/(to) accumulated funds		17,202	(1,822)
Balance at 30 June		37,372	20,170
Capital Infrastructure Investment Reserve			
Balance at beginning of year		13,586	28,126
Transfer from/(to) accumulated funds		(6,952)	(14,540)
Balance at 30 June		6,634	13,586
Crown funding injections			
Balance at beginning of year		24,450	4,822
COVID-19 Response and Recovery Fund		32,008	19,292
Repayable Crown funding injection fair value adjustment		-	336
Balance at 30 June		56,458	24,450
Crown funding injections consists of:			
COVID-19 Response and Recovery Fund		51,300	19,292
Repayable Crown funding injection fair value adjustment	11	5,158	5,158
Total		56,458	24,450
Revaluation reserves			
Balance at beginning of year		468,368	365,110
Revaluations		135,112	103,624
Transfer to accumulated funds on disposal		(366)	(366)
Balance at 30 June		603,114	468,368
Property revaluation reserves for each asset class consist of:			
Land		326,464	257,466
Buildings		276,650	210,902
Total		603,114	468,368
Total Equity		1,457,789	1,274,724

COVID-19 Response and Recovery Fund

Fire and Emergency was successful in securing a capital injection from the COVID-19 Response and Recovery Fund (CRRF) to rebuild and upgrade 26 fire stations. The capital injection is up to \$51.30 million over a period of three years and \$32.01 million of the capital injection has been received in this financial year. All funding received was spent by 30 June.

14. Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for, but not recognised as paid or provided for, at balance date.

Cancellable commitments that have penalty or exit costs explicit in the agreement are reported at the minimum future payments, including the value of the penalty or exit cost.

	2022 Actual \$000	2021 Actual \$000
Buildings	11,879	15,823
Fire appliances	16,676	8,511
Computer equipment	398	1,638
Operational equipment	1,147	2,298
Computer software	354	1,134
Motor vehicles	–	66
Total capital commitments	30,454	29,470

15. Operating lease commitments

Non-cancellable operating leases include future payments due under the lease contract. Operating leases are principally for property and motor vehicles. Interest commitments on borrowings and commitments relating to employment contracts are not included in the commitments note.

Future minimum lease payments due under non-cancellable operating leases as lessee

	2022 Actual \$000	2021 Actual \$000
Not later than one year	7,193	7,230
Later than one year and not later than five years	17,239	9,272
Later than five years	22,930	6,158
Total non cancellable operating leases as lessee	47,362	22,660

Fire and Emergency has operating lease commitments for office and fire station premises and motor vehicles. Significant leases include the seven floors and car parks at National Headquarters located at 80 The Terrace, Wellington. No restrictions are placed on Fire and Emergency by any of its operating leasing arrangements, other than that the premises must be used as commercial premises. Fire and Emergency does not have any contingent rents or sublease payments.

16. Contingencies

Contingent assets and contingent liabilities are disclosed in the notes to the financial statements at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Contingent liabilities

Personal liabilities

At 30 June 2022, there were 85 personnel issues, including a small number of formal legal proceedings. In each case it is difficult to predict the final outcome of these matters, and the accompanying contingent liability is not quantifiable with a sufficient level of certainty. In addition, there were a small number of national-level employment related disputes with two separate unions before either the Employment Court or the Employment Relations Authority, and these have since progressed to mediation.

Firefighting foam contamination

Historical use of firefighting foams containing substances known as per and poly-fluoroalkyl substances (PFAS) can have environmental impacts. Fire and Emergency has identified one contaminated training site due to the use of PFAS. Fire and Emergency is monitoring the site to ensure the site remains at the safe exposure level. If levels change outside of safe levels, costs to restore the site may be required.

Seismic strengthening programme

There remains some uncertainty around cost projections for the seismic strengthening programme and there is a possibility that total spend may exceed the seismic resilience reserve amount of \$37.37 million at year end (2021: \$20.17 million).

Contingent assets

Fire appliances

Fire and Emergency is corresponding with a fire truck engineer regarding cracks/defects on MAN chassis Type 3 appliances, including costs to remedy the cracks/defects in the Type 3 appliances. The quantum of the costs to remedy the cracks/defects has not yet been confirmed. No formal proceedings have been issued.

17. Financial instruments

	2022 Actual \$000	2021 Actual \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	206,039	150,308
Exchange trade and other receivables	6,472	4,028
Total financial assets measured at amortised cost	212,511	154,336
Financial liabilities measured at amortised cost		
Exchange trade and other payables	38,243	37,519
Other liabilities	1,633	-
Borrowings – Repayable Crown funding injection	50,916	63,198
Borrowings – Finance leases	14,182	3,842
Total financial liabilities measured at amortised cost	104,974	104,559

Trade and other receivables exclude levy receivables as levies are charged under exercise of sovereign power, as such these items do not meet the definition of a financial instrument.

Financial instrument risks

Fire and Emergency has a range of policies to manage its exposure to financial instrument risks (including market risk, credit risk and liquidity risk) and seeks to minimise this exposure. Policies do not allow Fire and Emergency to enter into any transactions that are speculative in nature.

Market risks

Interest rate risk

Fire and Emergency is exposed to interest rate risk, which is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Fire and Emergency's exposure to the interest rate risk is limited to call deposits included in the cash and cash equivalents balance. Sensitivity analysis is provided in Note 5.

Fire and Emergency aims to reduce the risk by investing at fixed interest rates with maturities that are in line with the cash requirements of Fire and Emergency. The Fire and Emergency New Zealand Act 2017 does not provide for Fire and Emergency to enter into hedging transactions and therefore interest rate investments are not hedged.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Fire and Emergency makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies. New Zealand has various agreements with the USA, Canada and Australia to supply reciprocal support for firefighting and to recover cost for deployments. Deployment invoices may be charged in the host agency's currency. Fire and Emergency also holds small balances of AUD at call to enable receipt and payment of AUD transactions when necessary. As a result of these activities, exposure to currency risk arises.

Fire and Emergency manages foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts. There were no forward foreign exchange contracts in place at year end (2021: no contracts).

Credit risk

Credit risk is the risk that a third party will default on its obligation to Fire and Emergency, causing a loss to be incurred.

In the normal course of business, Fire and Emergency incurs credit risk from trade and other receivables and transactions with financial institutions. Fire and Emergency has processes in place to review the credit quality of customers prior to the granting of credit. There is no significant concentration of credit risk arising from trade and other receivables.

Due to the timing of its cash flows and outflows, Fire and Emergency invests surplus cash with registered banks that have a high credit rating, as required by section 161 of the Crown Entities Act 2004. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of financial position.

Fire and Emergency holds no collateral or other credit enhancement for financial instruments that give rise to credit risk.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Fire and Emergency will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

Fire and Emergency mainly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements. The forecast cash flows are updated on a daily basis and include both known and perceived cash flow requirements.

Contractual maturity analysis of financial liabilities

Fire and Emergency's financial liabilities are analysed into relevant maturity groupings based on the remaining period from year end to the contractual maturity date.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	1-5 years \$000
2022					
Exchange trade and other payables	38,243	38,243	38,243	-	-
Borrowings – Repayable Crown funding injection	50,916	51,939	-	13,000	38,939
Borrowings – Finance leases	14,182	16,126	2,001	2,002	12,123
Total	103,341	106,308	40,244	15,002	51,062
2021					
Exchange trade and other payables	37,519	37,519	37,519	-	-
Borrowings – Repayable Crown funding injection	63,198	64,939	-	13,000	51,939
Borrowings – Finance leases	3,842	4,187	692	681	2,814
Total	104,559	106,645	38,211	13,681	54,753

18. Capital management

Fire and Emergency's capital is equity (represented by net assets), which comprises accumulated funds, reserves and contributed capital. Fire and Emergency is subject to the financial management and accountability provisions in the Crown Entities Act 2004 (the Act). These provisions impose restrictions in relation to borrowings, the acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. Approval has been obtained from the Minister of Finance in accordance with the Act for the organisation to enter into derivatives and to maintain committed and uncommitted borrowing facilities at financial institutions. Use of derivatives is confined to currency rate forward contracts used as specified by New Zealand Treasury. Fire and Emergency manages its equity by prudently managing revenue, expenses, assets, liabilities and risk, and aims for best practice with regard to its operations and financial dealings. This helps to ensure that Fire and Emergency effectively achieves its goals and objectives.

19. Related party transactions and Key Management Personnel

Fire and Emergency is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions that are no more or less favourable than those that it is reasonable to expect Fire and Emergency would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (e.g. Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	2022 Actual \$000	2021 Actual \$000
Board members		
Remuneration	191	202
Full time equivalent members	1.0	1.0
Executive Leadership Team		
Remuneration	2,704	2,385
Full time equivalent members	7.0	6.0
Service Delivery Leadership Team		
Remuneration	2,661	2,379
Full time equivalent members	10.0	9.0
Total key management personnel compensation	5,556	4,966
Total full time equivalent personnel	18.0	16.0

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings, and the estimated time required for Board members to prepare for meetings. An analysis of Board member remuneration is provided in Note 4.

Other related party disclosures

There are close family members of key management personnel employed by Fire and Emergency. The terms and conditions of employment are no more favourable than Fire and Emergency would offer if there were no direct relationship to key management personnel.

Board members, staff and volunteers of Fire and Emergency who insure their property against the risk of fire pay fire service levies. Levies are payable at the same market rate as for any other member of the public.

Fire and Emergency reimbursed costs and paid grants to volunteer fire brigades of \$5.49 million (2021: \$5.50 million) to support the delivery of fire and emergency services. Volunteer fire brigades independently manage their affairs in accordance with their rules of incorporation, trust deed or other governing documents.

20. Post balance date events

Fire and Emergency New Zealand are engaged in on-going negotiations with the New Zealand Professional Firefighters Union as at 30 June 2022. Mediation has been completed, negotiations are ongoing and settlement is pending.

There have been no other significant events after the balance date.

21. Explanation of significant variances against budget

Explanations of major variations against the budget information at the start of the financial year are as follows:

Statement of financial performance

Levy was \$21.98 million higher than budget. This was primarily due to an increase in one-off contract payments for construction activity.

Non-levy revenue was \$4.56 million higher than budget due to unbudgeted cost recovery from the Department of Conservation for the Lake Ohau fire and the final settlement of pre-Fire and Emergency NZ fires. Interest revenue was higher than budget due to higher bank balances and an increase in interest rates.

Employee and volunteer benefits expense was \$18.26 million higher than budget. This was primarily due to the provision raised for Contract Settlements during the year.

Depreciation and amortisation expense was \$6.12 million higher than budget. This was due to an \$11.40 million increase in depreciation expense from restating the useful lives of some fire appliances to reflect the need to move towards a more carbon-neutral fleet as part of the organisation's commitment to meeting the Government's stated targets. This was offset by a \$5.48 million reduction in amortisation expense due to the Software as a Service (SaaS) reclassification.

Statement of other comprehensive revenue and expenses

Gains on revaluation of land and buildings were \$105.11 million higher than budget. A conservative budget for revaluation of land and buildings was set. The actual valuation represents market movements as assessed by an independent valuer, Telfer Young.

Statement of financial position

Cash and cash equivalents were \$91.64 million higher than budget. This was primarily due to starting the financial year with a higher cash balance than anticipated, higher levy received throughout the year and delays in capital programme.

Property, plant and equipment was \$146.60 million higher than budget. This was largely due to the revaluation of land and buildings.

Intangible assets were \$24.97 million lower than budget. The reclassification of Software as a Service from capital to operating expenditure impacted the opening balance for 2021/22 and the expenditure during the 2021/22 year, which was not included in the budget.

Employee and volunteer benefits were \$16.41 million higher than budget. This is largely due to the high annual leave balances as a contract settlement was finalised and accounted for during the year, and COVID-19 impacted employees annual leave plans.

Provisions were \$16.94 million higher than budget. This was primarily due to providing for settlements of employment contracts, and for the make good on exiting National Head Quarters.

Total equity was \$164.47 million higher than budget. This was primarily due to the Revaluation reserves being \$178.22 higher than budget and was offset by accumulated funds being \$64.62 million lower than anticipated.

22. Impact of COVID-19

During the financial year New Zealand was subject to various COVID-19 alert level changes that placed restrictions on businesses and individuals.

Fire and Emergency provides essential services to New Zealanders and continued to do so throughout all COVID-19 alert levels and traffic light changes. Protocols and procedures were in place for incident response teams to ensure they remained safe. Operational support staff worked from home where possible.

There has been no significant impact on the value of Fire and Emergency assets or liabilities as a result of COVID-19.



TE MANA
WHAKAHAERE
GOVERNANCE

Our Board

Tō Mātou Poari

Members of the Board of Fire and Emergency are appointed by the Minister of Internal Affairs having regard to criteria set out in both the Crown Entities Act 2004 and the Fire and Emergency New Zealand Act 2017.

The Board members during the 2021/22 year were:



Rebecca Keoghan, MNZM (Chair)
June 2019 — present

Rebecca was appointed Chair of the Board on 1 July 2021 and was appointed Deputy Chair of the Board in June 2019. She has a wealth of experience both at executive and governance level, which includes experience as a company director with a leadership and health and safety focus. In 2018 she was recognised as a rural Woman of Influence. In 2016, she was Fonterra's Dairy Woman of the Year. Rebecca was made a Member of the New Zealand Order of Merit in 2017.

Organisational committees:

- Member – People and Culture Committee
- Member – Audit and Risk Committee.

Declaration of interests:

- Director – Keoghan Farm Limited
- Director – Gravity Dance Studio
- Chair – Tai Poutini Polytechnic
- Trustee – Glen Elgin Trust
- Trustee – Glenfiddich Trust
- Director – Alpine Energy
- Director – Timaru District Holdings Ltd.



Malcolm Inglis (Deputy Chair)
July 2018 — present

Malcolm was appointed to the Board on 1 July 2018 for a three-year term. He was reappointed to the Board for a further three years on 1 July 2021. He is a Chartered Accountant with significant experience in the state sector, including large scale organisational and sector change. He has held several governance roles on Crown Entity boards and councils.

Organisational committees:

- Chair – Audit and Risk Committee.

Declaration of interests:

- Director/Shareholder – Inglis and Broughton Limited
- Independent Member – Risk and Assurance Committee of the Criminal Cases Review Commission
- Shareholder – Checkmate Technology Ltd.



Wendie Harvey
July 2018 — present

Wendie was appointed to the Board on 1 July 2018 for a three-year term. She was reappointed to the Board for a further three years on 1 July 2021. She holds several senior governance roles, including directorships of Hawke's Bay Airport, Aurora Energy and Eastland Group. Wendie has extensive experience in state sector governance, organisational change, employment relations and risk management.

Organisational committees:

- Chair – People and Culture Committee.

Declaration of interests:

- Director – Excellence in Business Solutions Limited
- Director – Electrical Training Company Limited
- Chair – Hawke's Bay Airport Limited
- Director – Aurora Energy Limited
- Director – Hawke's Bay Airport Construction Limited
- Director – Eastland Group Limited
- Director – TAB.



Gwen Tepania-Palmer
October 2019 — present

Gwen was appointed to the Board in October 2019 and brings a wealth of experience to Fire and Emergency. With a background in nursing, Gwen has been a driving force in the development and expansion of Māori health initiatives and sits on several health sector boards.

Gwen holds a Master of Business Administration, Certificate in Health Economics and a Certificate in Company Direction from the Institute of Directors. Her tribal affiliations are Te Aupōuri, Ngāti Kahu and Ngāti Pāoa Tainui.

Declaration of interests:

- Board Member – Ngāti Hine Health Trust, Kawakawa
- Lottery Waikato – Community Committee
- Director – Hauora Whanui Limited
- Chair – Kotui Hauora Northern Partnership Board
- Councillor – Toitū te Waiora Workforce Development Council.



Mary-Anne Macleod
August 2021 — present

Mary-Anne was appointed in August 2021 for a three-year term. Mary-Anne is a strategic advisor to central and local government agencies while also holding appointments on several government and private boards. She has extensive experience in governance as well as in local and central government. Mary-Anne has a Masters in Earth Sciences.

Organisational committees:

- Member – People and Culture Committee.

Declaration of interests:

- Director – National Institute of Water and Atmospheric Research
- Director – Environmental Protection Authority
- Board Member – AgResearch
- Director – Dairy NZ Ltd
- Director – MacMacleod Limited
- Consultancy Services – Ministry for the Environment
- University of Waikato – University Council
- Consultancy Services – Waka Kotahi /NZ Transport Agency.



Danny Tuato'o
August 2021 — present

Danny was appointed to the Board in August 2021 for a three-year term. Danny is currently a Partner at Marsden Woods Inskip Smith, providing specialist property and commercial law advice in the Northland region. He has significant experience working with Māori entities and holds appointments on both government and private boards.

Organisational committees:

- Member – Audit and Risk Committee.

Declaration of interests:

- Partner – MWIS Lawyers
- Board Member – Maritime New Zealand Board
- Non-executive Director – Isthmus Group Limited
- Board Member – Coastguard New Zealand
- Panellist – Independent Review of New Zealand's Air Navigation System.

Board meetings

The Board operates under the Crown Entities Act 2004. The Board ended the year with two standing committees. All meetings and attendance are outlined in the table below.

Board and committee meeting attendance

Board member	Board	Audit and Risk Committee	People and Culture Committee
Rebecca Keoghan	8/8	4/4	1/1
Wendie Harvey	8/8	N/A	1/1
Malcolm Inglis	8/8	4/4	N/A
Gwen Tepania-Palmer	5/8	N/A	N/A
Mary-Anne Macleod	7/7	N/A	1/1
Danny Tuato'o	7/7	3/4	N/A
Peter Taylor (Independent ARC member)	N/A	4/4	N/A

Committees of the Board

Audit and Risk Committee

The Audit and Risk Committee helps the Board meet its responsibilities for financial reporting, external audit, legislative compliance and internal audit. The Committee makes sure the management has an appropriate risk management framework. The Committee was chaired by Malcolm Inglis, and members were Rebecca Keoghan, Danny Tuato'o and an independent member, Peter Taylor.

People and Culture Committee

The People and Culture Committee assists the Board in the establishment and application of policies and practices that enable the Board to discharge its responsibilities in relation to Fire and Emergency's commitment to people and culture change, ensuring alignment with Fire and Emergency New Zealand's values. The Committee was chaired by Wendie Harvey and members were Rebecca Keoghan and Mary-Anne Macleod.

Conflicts of interest

All Board members must disclose any conflicts of interest.

All interests are outlined on pages 114–115.





Te Kāwanatanga o Aotearoa
New Zealand Government