

Annual Report

Pūrongo ā-Tau

For the year ended 30 June 2021



WHAKARATONGA IWI

FIRE
EMERGENCY

NEW ZEALAND

Year in review

He tirohanga ki ētahi hua i tauhouanga nei

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Foreword

Kupu whakataki

Strengthening our foundations

Te whakapakari tūāpapa

On behalf of the Board of Fire and Emergency New Zealand, I am delighted to present this Annual Report.

The pages that follow tell the story of our achievements across our five areas of strategic priority and highlight our overall progress towards our organisational outcomes and vision.

The past year presented many challenges. Yet the team at Fire and Emergency continued to deliver for Aotearoa – serving, supporting and protecting communities across the country. Whether it's responding to incidents, like the major fire at Lake Ōhau, or reducing the risk of them occurring in the first place, our mahi remains vital.

COVID-19 continued to create an uncertain environment and, in the face of the ongoing pandemic, our people showed great adaptability, resilience and uncompromising commitment. From our frontline response in communities, to those supporting from District, Region and National Headquarters, everyone's efforts were outstanding.

We know we can achieve far more united together than as a group of individuals, which is why I am so pleased to see the progress we have made on our journey from integration to unification – truly becoming one team, one culture, one organisation. It's so important we share a singular focus and make the most of the collective skills, experience and wisdom of our people across the organisation. This year we developed our new local leadership structure to operate across natural and built environments, which places us well to adapt and respond to the ever-changing needs of the communities we support. I look forward to seeing our vision of services that are locally delivered, regionally coordinated and nationally enabled come to life.

Ensuring our people have a safe, healthy, positive workplace culture remains an absolute priority. In the last 12 months, we released our Code of Behaviour, which sets out our expectations of our people, in alignment with our values. We also made great strides towards establishing our permanent Behaviour and Conduct Office. Everyone deserves to work in an environment where they feel supported, respected and valued, and the work we have completed this year really sets strong foundations for us to build upon.

The past year demonstrated the importance of our relationships in delivering successful outcomes. We can't do it alone, and the work we have done during the year to strengthen partnerships and collaborate with stakeholders and communities is invaluable. In particular, I'd like to acknowledge our sector partners for sharing our commitment to a safer Aotearoa and the superb ongoing contribution of the unions and associations that support our people.

Finally, I'd like to thank the people of Fire and Emergency New Zealand – our career and volunteer firefighters on the frontline, along with everyone who supports them. It's a privilege to see the dedication and passion with which they serve communities across the motu, and I'm incredibly proud of their mahi, and the shared culture we are creating together.



ReKeoghan

Rebecca Keoghan

Board Chair



Foreword

Kupu whakataki

Our unified way of working

Tā tātou mahi ngātahi

Kia ora koutou,

At the start of this financial year, New Zealand had just moved out of a nationwide COVID-19 lockdown and there was a great deal of uncertainty about what the impacts of COVID-19 might be on the country. At Fire and Emergency, we were midway through a significant programme of change to build a unified organisation while also responding to the emergencies that happen on a daily basis around New Zealand.

One year later, I am incredibly proud of what we have achieved.

When Fire and Emergency was established in 2017, it was to create an integrated fire and emergency services organisation that reflected the changing needs of our communities and the changing roles of firefighters.

Over the past year, we've responded to more than 84,000 incidents. A number of these incidents can be linked to the impact of climate change, with wildfires occurring earlier during the warmer months, and an increasing number of weather events causing flooding and storm damage.

At the same time, we have continued to strengthen our organisational foundations by further building the structures, systems, tools, culture and ways of working we need to operate as a unified organisation.

Over the course of this year, we have made significant progress on several major initiatives set out in the Fire and Emergency New Zealand Act 2017. We've developed 16 new fire plans across the country, which will be published on 30 July 2021; each outlining the management of public safety and risks relating to fire; our first seven Local Advisory Committees have

completed their inaugural year; and we have made strong progress in the areas of local planning and regulatory compliance. These new functions and responsibilities help us meet the changing needs of our communities.

We have enhanced how we partner across the emergency services sector at different levels across our organisation, so we can work well together when emergencies happen. The successes of this partnership and cross-agency work have been apparent in many of the major incident responses this year, and in the All-of-Government response to COVID-19.

Throughout the pandemic, our focus has been on maintaining our operational capacity, while keeping our people and the communities that we serve safe. We were able to maintain our operational capability to respond to local incidents, as well as our national capacity to respond if a major event were to occur while we were in Alert Levels 3 or 4.

Our people have responded brilliantly to the challenges they faced, adjusting rapidly to alert level changes and following our protocols and new ways of working. I would also like to acknowledge the unions and associations who represent our people and thank them for their positive contributions and support during this challenging time.

While some of our work was disrupted due to COVID-19, it has also created opportunities for us to improve. For example, we put a strong focus on reducing our travel, which in turn allowed us to make financial and environmental savings.

We received a significant capital injection of \$51.3 million from the Government's COVID-19 Response

Recovery Fund (CRRF) for the rebuild and upgrade of 26 fire stations around the country over three years. We are making good progress across this programme of work. Our property projects range from minor works to complete rebuilds around the country, and include both the CRRF-funded projects and those funded through our national Capital Works Programme. These projects ensure our property is fit for purpose for an integrated fire and emergency services organisation.

We have continued to make good progress to remove unwanted behaviour such as bullying and harassment from our organisation and build a positive and inclusive culture.

A particularly significant milestone this year was finalising and announcing our decision to establish a permanent Behaviour and Conduct Office. This is another significant step towards continuing our mahi to build a values-based culture where we hold ourselves to account and call out unwanted behaviour when we see it.

Over the last year, a major focus has also been on making sure we have appropriate policies and procedures in place to address unwanted behaviour. We have continued to embed our Code of Behaviour and our Policy to address bullying, harassment and victimisation. We developed a stand-alone policy to address sexual harm and reviewed our Standards of Conduct policy and Managing Alleged Misconduct procedures.

Finally, we are very close to amalgamating the former 24 urban areas and 18 rural fire districts into 17 new districts with a unified management structure. This will be a significant milestone towards creating a truly unified organisation. Over the 2020/21 financial

year, a substantial effort has gone into the recruitment and redeployment process, including an assessment of relevant experience, to ready ourselves for the stand-up of this new structure on 27 September 2021.

As we look forward to the 2021/22 year, the work we have done over this reporting period gives me great confidence that we have strengthened our foundations and are well set up to continue to adapt and manage through these challenging times.

Ngā mihi



Rhys Jones

Chief Executive

Who we are and what we do

Ko wai mātou me ngā mahi ā tari

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

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

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

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

These days, firefighters do so much more than just fight fires. They respond to a wide variety of emergencies, including motor vehicle accidents, medical emergencies, hazardous substances, severe weather events and natural disasters. We work with communities across the 'four Rs' of reduction, readiness, response and recovery to build their resilience by helping them prepare for, respond to and recover well from emergencies.

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 sets out our statutory remit. The Act 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 shown on the following page.

Our emergency management functions

Main functions



Promoting fire safety



Providing fire prevention, response and suppression services



Stabilising or rendering safe incidents that involve hazardous substances



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



Rescuing people trapped because of transport accidents or other incidents



Providing urban search and rescue services

Additional functions

Assist with:



- medical emergencies
- maritime incidents
- weather events



- natural hazard events and disasters incidents



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



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



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



- providing assistance at transport accidents.

Our role as a regulator

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

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

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

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

Our year at a glance

He karapatanga ki te tau kua pāhemo



84,688
Incidents attended



5,310

Structure
fires



4,588

Vegetation
fires



14,969

Medical
emergencies



10,201

Transport
accidents



822

Hazardous
substances



10,107

Other fires



38,628

Other
incidents¹

To respond to these incidents, we had 14,794 people working together to protect lives, property and the environment. As a result of our work, unwanted fires represented a low percentage of our incidents and are continuing to decrease. Other incidents we attended include false alarms, rescues and providing specialist services.

¹ Other incidents include special services, assisting public, false alarms and incidents that have not been categorised as a specific incident type at the time of data collection. Special services calls include call outs for animal rescues; assist public calls include rescues and assisting with evacuations.

3,569

COURSES DELIVERED TO

26,316

ATTENDEES

Our Workforce Capability directorate works to develop and deliver training courses to grow capabilities, expand knowledge and to better respond as an emergency service. This includes leadership development and specialist courses specific to Fire and Emergency.



PROUD EMPLOYER OF
FIRE AND EMERGENCY
VOLUNTEERS

HE RŌPŪ KOTAHI TĀTOU

Our volunteers play an important role in delivering our services, and this year we have also acknowledged the 1,064 businesses who support our volunteers and proudly display the Proud Employer Mark.

We have \$1.19 billion of property, equipment and fire appliances to deliver our services. This year, we invested \$22.40 million into new fire appliances and upgrading existing fleet, and took delivery of 52 new appliances to distribute across the country to ensure we are well equipped to respond to fire incidents.

\$22.4m

INVESTED INTO NEW FIRE
APPLIANCES AND UPGRADING
EXISTING FLEET

2,876

OF OUR PEOPLE ATTENDED
PSYCHOLOGICAL WELLBEING
WORKSHOPS

To keep our people safe, we have delivered psychological wellbeing workshops to 2,876 of our people, as well as building a Behaviour and Conduct Office and developing policies to create a respectful and positive workplace culture.



Our commitment to Māori as tangata whenua

Tā mātou tauākī paiherenga ki te Māori hei tangata whenua

Māori are tangata whenua of Aotearoa and Fire and Emergency recognises that they are significant partners in: fire prevention; building community resilience; and informing emergency response; to contribute to a safer environment.

Māori will always have a special relationship as kaitiaki (guardians) of the environment. It is important that we partner and work closely with Māori before, during and after an emergency, to ensure better outcomes not only for Māori but for the wider community.

To help us build strong partnerships with Māori, our Pou Takawaenga Māori (Iwi Liaison Officers) work strategically to build relationships, strengthen networks and support our people to better connect with local iwi around Aotearoa. Through strong partnerships, we work more closely with Māori communities, supporting them to receive fire risk reduction and readiness services and education tailored to their community needs. We can provide support during major responses or when incidents occur in and around their communities; through strong partnerships, we are working to reduce the disproportionate representation of Māori in fire statistics.

Working with iwi is a long-term investment to build meaningful relationships and partnerships that work towards common goals (examples can be found on page 31). These goals, such as improved resilience, are underpinned by our values – kia tika, manaakitanga, whanaungatanga and auahatanga.



Strategic context

Te horopaki ā-rautaki

The foundations of our strategic direction are set out in our key documents:

Our National Strategy 2019–2045

Our National Strategy (our Strategy) sets out our long-term strategic intentions to build a unified Fire and Emergency.

Our 10-Year Plan 2020–2030

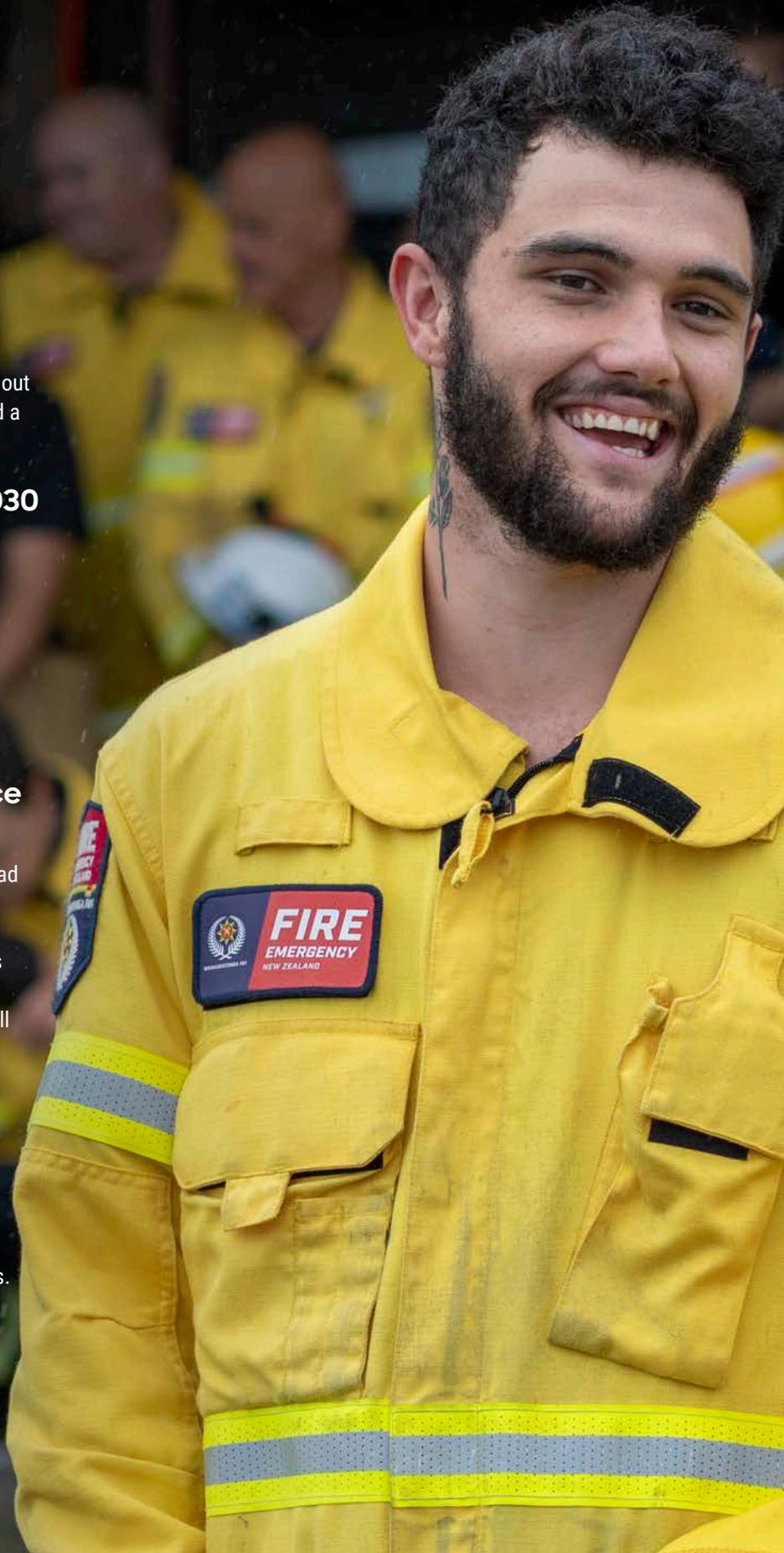
Our 10-Year Plan identifies the most important things we need to do over the next decade to achieve our Strategy, and the benefits our work will deliver for our communities.

Our Statement of Intent 2020–2024 and Statement of Performance Expectations 2020/21

Our Statement of Intent (SOI) takes its lead from our Strategy to describe our intent for the next four years. Our Statement of Performance Expectations (SPE) outlines how we will deliver our core services and key initiatives for the year and how we will measure our progress.

Both our SOI 2020–2024 and our SPE 2020/21 were published in the reporting year of this Annual Report.

These guide our work and investment to building a unified organisation that delivers efficient and effective fire emergency activities for our communities.





Our Strategic Framework

Our Strategic Framework sets out the key aspects of our strategic direction: to build a unified organisation. Our purpose identifies why we are here; our vision recognises where we are going, our values reflect the positive and inclusive culture we are building, and our operating principles guide the organisation.

Our outcomes are the long-term goals we are striving to achieve for our communities; our strategic priorities reflect what we are focusing on now to make progress towards our outcomes. Outcomes and strategic priorities form the basis for planning and prioritising our work and measuring the progress that we are making.



Our purpose

Protecting and preserving lives, property and the environment

Our vision

Stronger communities protecting what matters

Our outcomes

Communities prepare for, respond to and recover well from emergencies

Our services are valued and trusted

Social, economic and environmental impacts from emergencies are minimised

Our strategic priorities

Building resilient communities

Collaboration, partnerships and influence

Growing our people

Intelligence-led, evidence-based decisions

Keeping pace with change

Our values



We do the right thing
Kia tika



We serve and support
Manaakitanga



We are better together
Whanaungatanga



We strive to improve
Auahatanga

Our operating principles

Put safety, health and wellbeing first

Value people

Champion inclusion

Strengthen communities

Work together

Drive change

Be accountable

Our eight key areas of change

As we amalgamated and integrated Fire and Emergency, we identified eight key areas of change to support our organisation and the way we operate to better serve our communities. We built our operating model around these areas of change. These are an important part of our Strategy and are reflected in our strategic priorities.

Strategy-led

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

Learning organisation

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

Inclusive and dynamic people system

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

Empowered decision-making

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

Insight from intelligence

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

Community focus

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

Risk reduction

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



Transparency of investment, cost, and value

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

Our performance measurement framework

Our performance measurement framework sets out key aspects of our services and activities and the effects we want to have in our communities. It will help us to design good measures and key performance indicators to track our progress.

Our desired **Outcomes**

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

Our current **Impacts**

Intermediate steps to achieving our outcomes

Our vision: Stronger communities protecting what matter

Our purpose | Kaupapa
Protecting and preserving lives, property and the environment



Communities prepare for, respond to and recover well from emergencies

- Communities improve their knowledge
- Communities increase their ownership of risks, capabilities and needs
- Communities increase their ability to act



Social, economic and environmental impacts from emergencies are minimised

- Improve our contribution to policy and standards
- Improve risk reduction behaviours
- Improve social, economic and environmental sustainability



Our services are valued and trusted

- Increase collaboration and interoperability with our partners
- Improve our capability of responding quickly, efficiently and effectively in a changing environment
- Increase recognition of our skills and expertise



Building resilient communities



Collaboration, partnerships and influence

Our strategic priorities

Our day-to-day
Outputs

Our services and activities

Our resources
Enablers

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

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



Growing
our people



Intelligence-led,
evidence-based decisions



Keeping pace
with change

Delivering our strategic priorities

Ngā whakatutukitanga ki
a mātou ahunga ā-rautaki



This Annual Report reflects how we have performed over the 2020/21 financial year against the reportable outputs in our SPE 2020/21. These outputs are aligned to our strategic priorities:



Building resilient communities



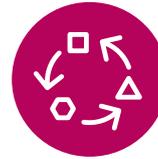
Collaboration, partnerships and influence



Growing our people



Intelligence-led, evidence-based decisions



Keeping pace with change

This year, we have continued to deliver our core functions and adapt to the challenges of COVID-19. We have undertaken significant resurgence planning, updated and changed policies and processes, and are well placed to respond in our communities and keep them safe at all alert levels.

Along with our strategic priorities, we have three enablers that show where we have focused our efforts to lift our organisational health and capability. Our enablers are represented by the symbols below and are used throughout this document.



People and culture



Systems and processes



Assets and infrastructure



Building resilient communities Te hanga hapori aumangea

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

Our primary aim is to support communities to prevent unwanted fires, reduce their severity and mitigate their impacts across New Zealand. This year, we attended a number of significant major responses, working closely with other agencies. Sadly, we saw more avoidable residential fire fatalities than last year, but with significant risk reduction effort and targeted media marketing and communications over the year, we are committed to ensuring fire safety information reaches those most at risk.

One of our highlights was the development of fire plans for fire risk reduction in all our local areas. Our risk reduction activity continued to improve building design to reduce the risk of fire, and promoted fire safety risk reduction and installation of smoke alarms in high-risk communities.

Major responses

During 2020/21, our people responded to over 84,000 incidents. Our response times to incidents are key to minimising social, economic and environmental impacts and are part of our reportable output: Fire response and suppression. One of our most significant events this year was the major fire at Lake Ōhau in October 2020 (see the case study on page 27), which resulted in significant damage to property and land and no loss of life.

We provided a strong local response, supported by our specialist Urban Search and Rescue (USAR) team, to the major flooding in Napier in November 2020. Alongside other agencies, we responded to the tsunami warning as a result of the earthquake in the Kermadec Islands in March 2021 and the tornado in South Auckland in June 2021.

During the Canterbury floods in May 2021, we helped local Police and the National Emergency Management

Agency (NEMA) evacuate more than 100 properties in North Canterbury, rescuing groups of people from the flood water. The significant flooding events this year are a reminder that incidents of extreme rainfall are projected to become more frequent and severe in many parts of New Zealand. To mitigate these risks, we have designed a training programme for our people to help them work safely around water.

Avoidable residential fire fatalities

Our role is to reduce the incidence of unwanted fire and the associated risk to life and property. In 2020/21, there were 14² avoidable³ residential fire fatalities, of which three were in homes where there was no working smoke alarm. In the previous year, there were 11 avoidable residential fire fatalities, of which two were in homes where there was no working smoke alarm.

Of the 14 avoidable residential fire fatalities, eight involved people over the age of 50 and of those, four were over 65. This is a consistent trend compared with previous years, indicating that people over 50 are disproportionately represented in fire fatality statistics. We are working hard to reduce these statistics through fire safety marketing campaigns.

² 'Avoidable' refers to fire fatalities that occur in residential accommodation where the provision and/or application of effective education, engineering or enforcement initiatives could have prevented loss of life.

³ This is the provisional number of fires classified as avoidable. It may change depending on coroner reports.



Fire safety marketing campaigns

Fire safety campaigns

Risk reduction and community readiness communications are an important part of our approach to building fire risk awareness and creating positive behaviour change in communities. To do this effectively, we are working to better understand how the fire safety information we provide influences the public's attitudes and behaviours.

Over the financial year, we researched fire safety attitudes and behaviour across different types of communities. We used our fire incident data to help us design communications and messaging specifically for at-risk communities, to influence attitudes and behaviours. This has helped us meet our reportable outputs for promoting fire safety and reducing fire risk.

In 2019/20, our data showed us that at one-third of residential fires we attended, there were no smoke alarms installed. For this reason, this year we launched a successful new campaign, 'Firefighters don't like fire movies.' More details of this campaign are on page 42.

Escape Week campaign

Our online escape-planning tool at [escapemyhouse.co.nz](https://www.fire.govt.nz/escapemyhouse) continued to guide people on creating an escape plan for their household. People with an escape plan are better prepared and thus more likely to survive a house fire.

Over the year, we wanted to challenge those who haven't yet thought about escape planning to get them engaged with – and using – our escape-planning tool. Our Escape Week campaign took a different approach this year: we focused on creating a more meaningful sense of how quickly a fire can become unsurvivable.

To do this, we booked entire television advertisements slots and ran the campaign over a shorter period of just 12 days to create a more urgent impact. In the campaign, we guided people to [escapemyhouse.co.nz](https://www.fire.govt.nz/escapemyhouse) to encourage them to create an escape plan for their household.

Our campaign was a success – the number of people using the escape-planning tool during the campaign increased by 112 percent. Some were using the tool for the first time, showing that we had successfully reached new audiences. The campaign was recognised by media advertising in New Zealand, winning five Beacon marketing awards and the overall 'Best in Show' award.



Summer wildfire prevention campaign

Run between November 2020 and March 2021, this campaign aimed to raise awareness of the increased risk of wildfires over summer and support our communities to take action to reduce that risk.

To encourage behaviour change to reduce the risk of wildfires, we developed a user-friendly online 'Can I light a fire?' tool at checkitsalright.nz. The tool provides local fire danger and fire season information, advising users on what actions they should take depending on their individual circumstances. This links with our work over the past year to improve awareness when using fire as a land management tool.

We continued our successful partnerships with MetService and TVNZ by providing fire danger information linked to weather updates throughout the summer period. These partnerships allowed us to provide regular messaging to a greater audience, and a quarter of all people surveyed recalled seeing images from the summer wildfire protection campaign. Most importantly, 60 percent of the people surveyed took some kind of action – most often to check fire risk.

Innovative winter campaign messaging

A number of factors increase the risk of house fires in winter, including use of heaters. Our 2021 winter campaign used the messaging, 'This winter, be toasty,

but not toast!' The campaign reminded people that the risk of a house fire is greater during the winter because of the increased use of heaters and fireplaces.

To convey this message, we used digital billboards and online advertising during evening rush hour if the temperature in an area was below 14°C. This approach was designed to raise awareness when people are on their way home, and more likely to use a heater or fireplace. This was the first time this innovative approach had been used in New Zealand, and we believe it is a more targeted and efficient way of advertising. Our 10-week campaign was seen almost 4.5 million times, and visits to our website resources increased by 164 percent.

Multilingual fire safety resources

This year, to better support communities whose first language is not English, we created new home fire safety information and made it available in 14 languages. These materials aim to help raise fire safety awareness, encourage safer behaviours and help the people we serve better understand our role in their communities.

This information is provided as both print and video materials and is available through the Fire and Emergency website. To add authenticity, our own people presented our multilingual video resources.



Risk reduction by design

Safer building design

We advise building designers and owners to ensure they consider fire safety concerns in the early stages of building design. During the year, we assessed over 1,400 building designs, including significant commercial developments, while also providing detailed in-house engineering services to support the redevelopment of 24 fire stations.

We worked with Standards New Zealand to make sure fire safety system standards for buildings remain current and fit for purpose, and provided input into the revision of the National Building Code Acceptable Solutions.

We also assisted our Australasian Fire and Emergency Service Authorities Council partner agencies on the Fire Brigade Intervention Model, which enables specific design considerations to be made when designing a building.

Fire control measures

Throughout the year, our wildfire specialists have been focusing on delivering a comprehensive set of tools to ensure our people have the resources to communicate

the risk from wildfires to our communities. These tools included triggers for setting the fire season status and guidelines for restricting spark-generating activities at times of high fire risk.

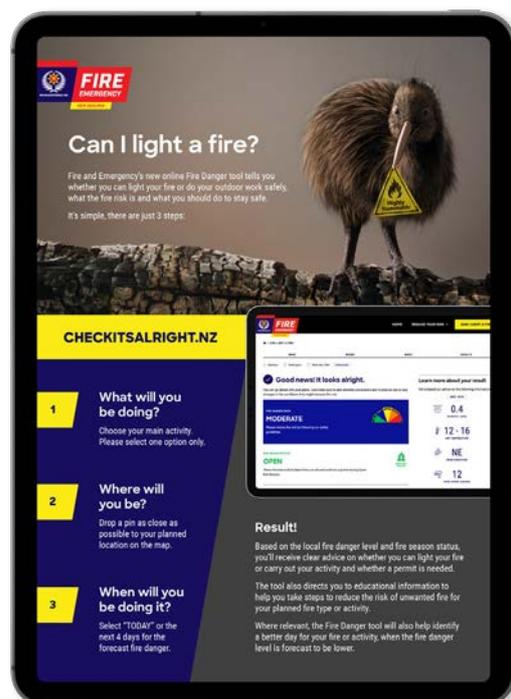
Fire reduction for lifestyle block owners

This year, we built on previous research which looked at barriers preventing lifestyle block owners from accepting wildfire risk and making changes to reduce that risk. We completed a project over the year to develop and pilot a prototype tool called the Collective Action Model (CAM).

The tool identifies important considerations when assessing how well a property and its owners are contributing to mitigating neighbourhood wildfire risk, as well as supporting them to understand the risk. The CAM was designed to encourage informed dialogue within and between households. It aims to:

- make the public more aware of wildfire risk, and that they are responsible for acting on that awareness
- inform them how to mitigate identified wildfire risk.

We will further develop this tool in the 2021/22 financial year.



Fire plans for all local areas

The Act requires us to complete fire plans for all local areas. A fire plan outlines relevant policies and procedures to manage public safety and risks relating to fire, particularly fires in the open air.

This year, we completed the process, including public consultations, to create fire plans for all 16 local areas in New Zealand. We conducted a trial and incorporated consultation feedback from members of the public and from Local Advisory Committees (LACs)⁴ into the final fire plans, which we published on 30 July 2021.

Our fire plans make our fire control powers and how we use them more transparent to the public. They also help communities understand what to expect, and what they need to do to comply with any requirements. Each fire plan outlines specific local information, including declaring the beginning and end of fire seasons, prohibiting and restricting fire use, and issuing fire permits.

Regulatory compliance

The Act provides us with broader compliance and enforcement powers. We are now strengthening the compliance and enforcement skills, knowledge, systems and processes across our organisation, so we can consistently apply these provisions. This work is helping us to build an integrated and cohesive system that will give effect to our broader statutory responsibilities, is fair, and works in the best interests of all New Zealanders.

Safety improvements for our communities

Fire safety and risk reduction for communities

This year has seen the foundations developed for our Community Engagement Framework. This will provide our people with the tools, templates and guidance to engage effectively with local communities to help them identify their risks and needs and work with them to improve their resilience and preparedness.

We continue to provide fire risk reduction advice to help ensure people are well informed of the risk of unwanted fire and know what to do to reduce this risk. This advice helps our people undertake risk reduction activities in our communities and support other agencies to reduce fire risk and promotes understanding among the general public. Additionally, we provide peer review, specialist technical advice and support for fire investigations around the country.

During the reporting year, our major fire investigations included three significant wildfires and 12 house fire investigations that resulted in 14 avoidable fatalities. We provided investigative support to the New Zealand Police (Police) and the Coronial Services of New Zealand for the fatalities as well as technical expertise to assist other government agencies, including the Transport Accident Investigation Commission and WorkSafe New Zealand.

⁴ LACs are community groups that provide advice to help inform local risks to help us plan how we can better support communities; we established them in 2020. More information about LACs is on page 44.



Building resilience with the Lake Ōhau community

The fire that ripped through Lake Ōhau in early October 2020 was one of the most significant fire events in our recent history, destroying 48 buildings and sweeping through more than 5,000 hectares of land.

Fortunately, due to a well-established community wildfire plan and the quick actions of residents, no lives were lost.

Otago Deputy Principal Rural Fire Officer Michael Harrison said the Lake Ōhau community is acutely aware of the area's high wildfire risk. Our Otago team has been working with locals for many years.

"The community has been very engaged with creating a plan for what they would do if there was a wildfire, and are proactive in keeping it updated," he said.

"Every year we have a refresher fire safety training day with residents. We engage with them about fire safety in their homes and around their property."

"We explain the importance of working smoke alarms; defensible space around their homes and property; storing

firewood safely; access for emergency services and – most importantly – we go over the community evacuation plan. We also show them all the firefighting equipment stored there for us to use when responding to a fire."

"Following the fire, we worked closely with Waitaki District Council to support them through the recovery and had regular contact with the residents and homeowners," said Wildfire Specialist Graeme Still.

Even one year on from the fire, Fire and Emergency still has regular contact with the Lake Ōhau and local farming communities.

"The Otago team has participated in community meetings and talked with property owners about what to do during a fire and having an emergency plan. We've also emphasised the fire safety advice delivered in their training days," said Michael Harrison.

"We're also talking with the Waitaki District Council about replanting areas around the village and what vegetation

types will help stop or slow the spread of any potential wildfire in the future."

"Many residents and property owners have already taken our advice and created or improved their defensible space and reduced the amount of flammable material around their properties. Residents are also much more aware of the speed of fire so they're even more prepared to evacuate at short notice. Both are great outcomes and show the resilience of the community following this devastating wildfire."

Graeme Still said, *"The findings from the Operational Review and Fire Investigation into the Lake Ōhau fire will also help us identify ways we can keep working with the Lake Ōhau community, and others like it, to make them even more resilient if another wildfire was to occur."*



Collaboration, partnerships and influence

Te mahi tahi, ngā rangapū, me te aweawe

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

We are a key part of the emergency management sector. Through working together and sharing knowledge, advice and support throughout the sector, we are all able to better respond to the breadth of emergencies that we now face. Over the year, we strengthened our connections across the sector and increased our collective readiness to respond to significant events.

This year, we have continued to focus on building strong and sustainable partnerships, particularly to support Māori communities. We have also continued to work collaboratively with our unions and associations, both individually and in regular engagement meetings.

Emergency Services Leadership Board

One of the biggest lessons we have identified from significant past events is that we can understand and respond to community needs much better when we work together. Such events include the Tasman fires, Port Hills fires and major weather events in Hawke's Bay, Canterbury and on the West Coast.

The Emergency Services Leadership Board (ESLB) was initially created in early 2020 to oversee the work on a safe and consistent approach to delivering the All-of-Government emergency response to COVID-19. The ESLB's value has been evident and it has developed into an enduring group.

The ESLB aims to make our communities even more resilient and increase our members' collective readiness to respond to significant incidents.

The ESLB has also set up an Emergency Services Operational Leadership Group (ESOLG) made up of the operational leaders from the agencies listed on page 29. This group is responsible for developing joint readiness of the emergency sector for the benefit of New Zealand communities.

Public Safety Network

During emergency situations and natural disasters, emergency services (Police, St John, Wellington Free Ambulance, and Fire and Emergency) are responsible for maintaining law and order, keeping people safe, protecting life and property, and responding to health events. To do this, we all need secure, reliable communications.

Currently, we rely heavily on radio and mobile communications to coordinate, manage, protect and direct geographically dispersed staff and resources across the sector. These communications are voice-centric radio networks, which are ageing and unable to meet future operational needs.



We are part of a joint programme, the Public Safety Network (PSN), to replace ageing networks with modern digital capability to provide better access to data via cellular networks. The programme is supported by the Crown Infrastructure Partners (CIP) and involves Police, St John and Wellington Free Ambulance.

The PSN will give us better information more quickly and in more places, making us more productive and more effective. Better communications will strengthen our situational awareness at incidents and enable us to proactively manage and mobilise emergency services staff, volunteers and resources.

More resilient Communication Centres

We have continued make our Communications Centres more resilient so we can keep taking 111 calls and dispatching resources if our systems are interrupted. These improvements contribute to the dispatch times for all incidents in both urban and rural environments.

In October 2020, our Auckland-based Northern Communications Centre (NorthCom) moved into its new building, Piki Ki Te Ao, which translates as *'the aspiration of diversity, the coming together of communities'*. The move increases capacity during major incidents and strengthens NorthCom's capability of supporting our other two Communications Centres in Wellington and Christchurch.

This year, we have also upgraded our paging systems and moved from an analogue to a digital system. Both improvements lift the performance and reliability of our communications when we respond.

THE ESOLG IS MADE UP OF THE FOLLOWING EMERGENCY SERVICE ORGANISATIONS:





Campus-based fire station and training facility an Australasian first

Co-locating Ilam Fire Station with the University of Canterbury's (UC) Ilam Fire Engineering and Training Facility on the university campus marks a significant milestone for our 27-year strong relationship with the university. It is also the first time in Australasia that a fire station and fire engineering facility have been co-located on a tertiary campus.

Fire and Emergency Region Manager Paul Henderson said that the fire station would enable closer contact with the local community, who were very supportive of having the facility located on the edge of the campus.

"While the station is a wonderful base for our firefighters at Ilam, I expect that they will be spending most of their time in the community driving down risk and building relationships," he said.

The fire station adjoins the new fire engineering facility, where our fire engineers are co-located with the university's fire engineering department, enhancing opportunities for collaboration on research and development. Students are benefitting from studying in a practical fire engineering environment that include opportunities for mentoring.

The UC's Director of Studies for Fire Engineering, Associate Professor Dr Anthony Abu said Canterbury is the only university in New Zealand to offer qualifications in fire engineering. *"Our deepened relationship with Fire and Emergency will further increase the industry relevance of the UC fire engineering qualification. Closer collaboration with Fire and Emergency New Zealand will help us share and expand knowledge."*

The station and fire engineering facility were both officially opened on 30 April 2021.

Working with diverse communities

Supporting Māori communities

Māori are the tangata whenua of Aotearoa, and Fire and Emergency New Zealand recognises that they are significant partners in fire prevention, building community resilience and informing emergency response.

To help our organisation form these partnerships, our Pou Takawaenga Māori (Iwi Liaison Officers) work strategically across their regions to build external relationships and strengthen internal networks. They support our people to better connect with local iwi, who help us manage risks such as fatal incidents and large-scale incidents.

Te Tai Tokerau fires

This year, we saw severe droughts across the Te Tai Tokerau region. This led to several significant wildfires, including a 56-hectare fire in Ahipara and a 158-hectare fire in Pipiwai. Both fires posed significant risks to life and property.

The Pou Takawaenga Māori for our Te Hiku⁵ region was on the ground at both wildfires to make sure there was a fluid relationship and communications between Fire and Emergency and local iwi.

We kept iwi up to date with the scope of our operations, explained the tactics we were using to fight the fires, and acknowledged the tikanga (protocols) of local iwi throughout our firefighting efforts.

Strengthening internal Māori networks

Led by our Kaupapa Māori Directorate, we held multi-day hui for internal Māori networks on marae in Te Ūpoko⁶ and Ngā Tai ki te Puku⁷. These networks involve around 20 of our people and are an opportunity to connect with each other while finding ways to better serve and support Māori.

In March 2021, we established a national advisory network which brought together 35 of our people from around the country to Te Ūpoko for two days. The hui allowed our people to provide critical advice and input into the Hiwa-i-te-rangi programme.

Supporting emergency preparedness for earthquakes with Te Rūnanga o Ngāi Tahu

Te Rūnanga o Ngāi Tahu approached us to support their initiative of building whānau resilience around the earthquake risks in Te Waipounamu, the South Island.

With Police and Civil Defence groups, we participated in face-to-face workshops at all 18 Papatipu marae.

The workshops led people through an interactive earthquake simulation based on their location so they could see the impact of an earthquake on their whare. Resource packs were also distributed to help them prepare for a disaster.

Having established this connection with Ngāi Tahu, we were able to communicate early during the Ōhau fires in October 2020. This allowed us to provide mana whenua with maps of our operations and gather information about sites of cultural significance. As a final act of community, organisation and iwi collaboration, the incident was handed back to the local community with a karakia ceremony delivered by a representative from Te Rūnanga o Moeraki.



⁵ This region covers Northland and Greater Auckland.

⁶ This region covers the lower North Island from Taranaki on the West Coast across to Hawke's Bay in the East.

⁷ This region covers the Bay of Plenty, Tairāwhiti and Waikato.



Growing our people

Te whakatipu i ā mātou tāngata

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

This year, we have continued our Positive Workplace Culture Programme. The programme implements a range of initiatives to embed organisational values and ensure our employment relations strategy and behaviour reflect our values and a culture we are proud of. Our key initiatives have improved the safety, health and wellbeing of our people, and we have put in place policies and procedures to ensure that bullying, harassment and sexual misconduct have no place in our workforce.

The gender balance in all key roles throughout the organisation has improved since our establishment, and we now have 3.5 percent more women in operational and non-operational roles than the 2017/18 financial year. The Women in Fire and Emergency New Zealand (WFENZ) network continued to support diversity in our organisation, and we celebrated International Women's Day across the country. Whiria te Tāngata (our Rainbow Network) continues to develop.

Volunteers play a key part in our organisation and we have continued to build on the support we offer to volunteers, their families and their employers. We do this through our Employer Recognition Programme and training opportunities to grow key skills and promote career progression for our volunteers.

Improving our culture

Improving safety, health and wellbeing

Responding to emergencies is psychologically and physically demanding. We are continuing to encourage our firefighters to access support services and feel supported to ask for help to break down the stereotype of the 'tough' firefighter. It is important that our people know it's 'okay not to be okay' and access the support available.

We have a range of free psychological support available for all our people and their families to access when required, including counselling, professional psychological support and peer support.

Over the past two years, we have developed and rolled out a psychological wellbeing workshop. We have delivered this training to 2,876 of our people during the year and encouraged everyone to take part. Delivering the psychological wellbeing workshops has provided knowledge and tools to support the wellbeing of our people and enabled us to achieve our performance measure on page 59.

Enhancements to reporting systems this year made it easier for our people to report incidents. This provided us better data which will improve analysis and give us insights into what's harming our people. This will help us design prevention initiatives that help us reduce our most common injuries.

We established a working group to focus on our critical risks and the effectiveness of controls. This work will continue over the next two years, to further lift the maturity of our safety, health and wellbeing programmes.



Promoting positive behaviour

We commissioned retired Judge Coral Shaw to complete an independent review⁸ into bullying and harassment in our workplace in 2019, and we accepted all 33 of her recommendations.

This financial year, we have either implemented or are in the process of implementing the report's remaining recommendations to provide a safer working environment for all our people and to ensure that bullying and harassment have no place in our organisation.

This year, we released our Code of Behaviour. This Code is aligned with our organisational values and sets out how we expect our people to behave. It supports our commitment to ensure bullying, harassment and victimisation doesn't occur in the workplace.

We completed consultation and released our decision on establishing a permanent Behaviour and Conduct Office (BCO). This is a fundamental step in addressing bullying and harassment and building a respectful and positive workplace culture.

Once fully established, the BCO will:

- proactively set standards
- provide education, data and intelligence to prevent unwanted behaviour
- responsively and effectively manage complaints to address unwanted behaviour
- work with individuals to restore positive working relationships following a complaint.

We launched a Proactive Interventions Pilot in 2020 and this concluded in June 2021. This was aimed at improving behaviour in some of our brigades and teams. We conducted respect workshops and facilitated discussions around values-based behaviour. These were generally well received, and in many cases provided

opportunities for brigades or teams to discuss behaviours and how to better work together.

We have developed our policy to address sexual harm to reflect our commitment that we do not tolerate it in any form. The policy will ensure our people thoroughly understand what constitutes sexual harm, know how to prevent and respond to it, and know the options available if they experience or witness harmful sexual behaviour.

We are currently reviewing our Standards of Conduct policy and our Managing Alleged Misconduct procedures. These will set out the minimum standards of behaviour we expect of all our people and guide decision-makers on how to address 'below-the-line' behaviours.

Our diverse workforce

The communities we work in are diverse and we will be more effective when our workforce is as diverse as the communities we serve. We want to ensure that we continue to attract and retain people from all walks of life, provide all our people with a positive working environment, and support them to build the skills and capabilities they need to succeed.

Improving diversity

We have seen a slow and steady increase in ethnic diversity over the past three years. Since our establishment, we have seen a very slight increase in both the average age of our people and the length of service. We now have more women career and volunteer firefighters, and in management and support roles. We support our women in all types of roles and at all levels across our organisation.

The development of our workforce since the establishment of Fire and Emergency in 2017 can be seen on the following pages.

⁸ Our independent review and recommendations by Judge Carol Shaw are available at fireandemergency.nz/assets/Documents/Research-and-reports/workplace-review/Positive-Workplace-Culture-Review-Report.pdf

2017/18

**CAREER
FIREFIGHTERS**

VOLUNTEERS

**MANAGEMENT
AND SUPPORT**

ROLES IN FIRE AND EMERGENCY

1,739

11,260

866

AVERAGE AGE [YEARS]

45

44

47

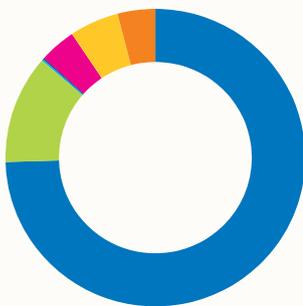
AVERAGE LENGTH OF SERVICE [YEARS]

17

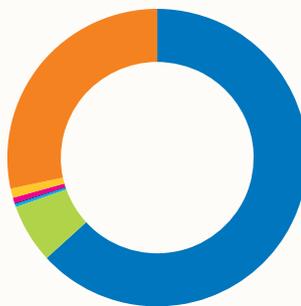
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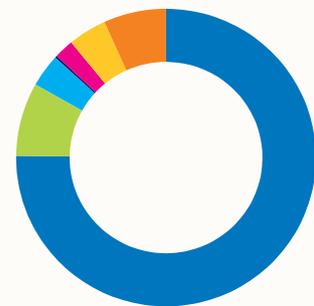
IMPROVING DIVERSITY



- 74.8% European
- 11.8% Māori
- 3.9% Pacific peoples
- 0.2% Asian
- 0.1% Middle Eastern/Latin American/African
- 5.3% Other ethnicity
- 4.0% Not declared



- 63.2% European
- 6.4% Māori
- 0.6% Pacific peoples
- 0.3% Asian
- 0.1% Middle Eastern/Latin American/African
- 1.0% Other ethnicity
- 28.3% Not declared



- 75.1% European
- 7.9% Māori
- 2.1% Pacific peoples
- 3.6% Asian
- 0.2% Middle Eastern/Latin American/African
- 4.1% Other ethnicity
- 6.7% Not declared

OUR DIVERSITY



Female 4% Male 96%



Female 17% Male 83%



Female 36% Male 64%

2020/21

**CAREER
FIREFIGHTERS**

VOLUNTEERS

**MANAGEMENT
AND SUPPORT**

ROLES IN FIRE AND EMERGENCY

1,854

11,883

993

AVERAGE AGE (YEARS)

45

45

48

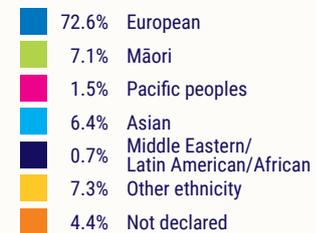
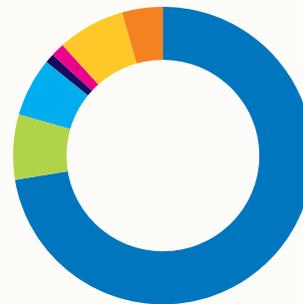
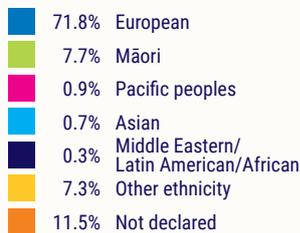
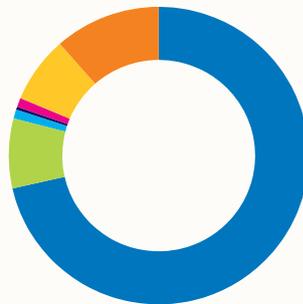
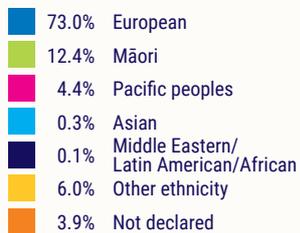
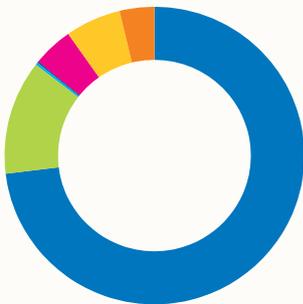
AVERAGE LENGTH OF SERVICE (YEARS)

17

11

10

IMPROVING DIVERSITY



OUR DIVERSITY



Female 6% Male 94%



Female 20% Male 80%



Female 41% Male 59%



Lifting our workforce capability

Our strategic priority 'Growing our people' helps us focus on providing opportunities for our people. This includes training and leadership development and cultural capabilities to foster diversity.

Improving training opportunities

We delivered 3,569 training courses to 26,316 attendees over the reporting year. This training provided our people with opportunities to gain, understand and apply skills and knowledge to enhance their personal development. Training and development cover a range of areas across our organisation. This includes career progression and specialist equipment courses, from operating pumps on a fire appliance to health and safety training and leadership development. These courses equip our people with the right capabilities for their roles.

We focused on providing training and development environments that are respectful, safe, challenging, and reflect the high standards and behaviours expected of our people. This year, our Rotorua-based National Training Centre and our regional training centres considered how to improve safety, health and wellbeing and promote diversity. This included upgrading our ablutions, providing gender-neutral options and involving our women in design changes so our facilities are suitable and comfortable for all our people.

A further focus for this year has been improving our training so it is more focused on and better meets the needs of our people. This includes piloting combined

courses which deliver skill sets across built and natural environments, drafting an organisation wide strategy to establish a unified learning and development culture.

Over 90 percent of our training courses are delivered in our regions, making it easier for our people to access training without needing to travel to a central location.

Supporting Pacific communities

Our Afi Pasefika Firefighters Network was formed in 2003 and has over 80 members across the organisation. Over the last financial year, we have hosted, organised or supported a range of events, from the annual Auckland Afi Pasefika fono in November 2020 to representation at the Pasifika Festival in April 2021.

Afi Pasefika members help us translate key emergency messaging into Pacific languages so we can support these communities to help reduce risk before an incident happens. Members of this network can help us bridge cultural barriers during an incident response, post-incident or as part of the recovery phase.

This year, four of our people were awarded our Pacific Island Languages Grant, which supports their own development as well as our ability to work more effectively with Pacific people. The recipients are studying Tongan language and culture, Introduction to Lea Faka Tonga and Samoan Fa'amatai Oratory. This will support our people to communicate better with Pacific communities about fire safety and during responses to fires.

Tikanga Māori capability development

Our Incident Leadership and Development Course is a two-week course held at the National Training Centre. It covers, among other topics, tikanga Māori, Te Tiriti o Waitangi and a facilitated 'Wall Walk', which walks participants through the history of the relationship between Māori and the Crown.

The objective of teaching these topics is to help our people to view their own world through a Māori lens when making decisions. This ultimately improves outcomes for Māori.

In 2020/21, 72 Senior Station Officers or Station Officers and 18 Executive Officers completed the course. The feedback has been positive, with 89 percent of the most recent attendees reporting they found those topics 'strongly important' and 11 percent reporting they were 'important'.

In September 2020, during Te Wiki o te reo Māori - Māori Language Week, the Kaupapa Māori Directorate released 'Whare Kōrero', a downloadable mobile app to provide our people with 'back pocket' knowledge to help them interact with others using te reo Māori and tikanga Māori.

The app includes information on te reo Māori (the Māori language), tikanga (customs), whakataukī (proverbs) and waiata (songs).

There have been over 1,491 downloads and our people are using the app for support with tikanga protocol during hui and marae visits.

Celebrating women in our organisation

To acknowledge and celebrate International Women's Day (IWD) this year, Raewyn Bleakley, Deputy Chief Executive Office of the Chief Executive, and Rachael Utumapu, Manager Women's Development, hosted two live national video conferences with a panel of operational wāhine. The panel shared their experiences and challenges and discussed how we continue to empower our women. The conferences were very well attended across Fire and Emergency.

Across the country, brigades and stations marked IWD with a range of community events and internal celebrations. After the celebrations, our National Women's Advisory Committee met with Minister of Internal Affairs Hon. Jan Tinetti at Parliament. They shared their stories and spoke about some of the challenges women face in Fire and Emergency and how we are working to support our wāhine.



Fostering sustainable volunteerism

To build sustainable volunteerism, we are working to strengthen our connections with our volunteers, provide greater flexibility in how people volunteer, and increase tailored support to attract and retain our volunteers. In 2019, we developed our Volunteerism Strategy 2019–2029 to set out how we intend to recognise, respect and promote the contribution of volunteers and of their families and employers.

Over the last financial year, we have:

- Started implementing a framework to monitor and evaluate our progress on the Volunteerism Strategy 2019–2029, so that we can show how our work to improve volunteerism is making a difference.
- Been involving our volunteers in trialling a fire appliance to help us identify features we could include in future requirements. These appliances are predominantly used by volunteers, so the feedback is vital to helping us understand our volunteers' needs.
- Supported the development of our volunteer leaders, including promoting 49 of our volunteers into leadership roles, sponsoring four potential volunteer leaders to attend an Outward Bound course, and giving 22 participants the opportunity to complete the pilot of our Volunteer Leadership Development programme.

- Despite COVID-19 affecting the delivery of our training courses, we have delivered 110 training and progression courses to 1,315 volunteers to support them to develop their skills and progress their careers at Fire and Emergency.

We published two reports as part of our organisational health and capability performance measures. They show how we have supported our volunteers and made progress towards implementing our Volunteerism Strategy. These reports are available on our website⁹

Proud Employer mark

In August 2020, we launched our 'Proud Employer of Volunteers' mark. This initiative builds recognition and support of businesses that support our volunteers, including self-employed volunteers.

As part of the launch, we ran a media campaign which included live in-studio interviews, video advertisements, and advertisements in community papers and on social media.

By the end of June 2021, 1,064 Proud Employer marks were displayed on businesses across the country. This mark acknowledges the vital role that employers play in supporting our communities by allowing our volunteers to respond to incidents when needed.



⁹ Reports are available at fireandemergency.nz/about-us/key-documents



Creating a culturally capable organisation

Improving our services by building a better understanding and appreciation of Māori culture is at the heart of Hiwa-i-te-rangi, our Māori Outcomes Programme. It builds on the commitment we made in 2018 to working with Māori as tangata whenua.

As tangata whenua, Māori will always have a special relationship as kaitiaki, guardians of the environment and Papatūānuku, earth. Therefore, it's important that we engage with Māori before, during and after an emergency, leading to better outcomes not only for Māori, but for the wider community", said Kerry Gregory, National Commander and Deputy Chief Executive Service Delivery.

Named after the ninth star of the Matariki cluster and representing our aspirations, Hiwa-i-te-rangi will officially launch on 2 July 2021, in time with

Matariki, Māori New Year. The initiatives will improve our service to Māori by raising our people's awareness and understanding of Māori culture. It will help us to build authentic relationships with iwi and Māori leaders so we can engage with them when designing our services and practices.

The launch will be attended by up to 100 of our people from around the country, as well as our five unions and association partners, who will show their support of our commitment to working with Māori as tangata whenua. One goal at the launch is to have our commitment statement signed by unions and association partners.

At the launch, we will release He Timatanga Kōrero, an introductory guide to Kaupapa Māori for Fire and Emergency, and Te Tohu, a symbol of

achievement that our people can wear as a pin after passing a knowledge check based on information in the guide.

"The success of Hiwa-i-te-rangi relies on everyone getting in the waka and improving their knowledge of Māori culture. Te Tohu is a way we can make this real for our people by giving them a symbol to speak to and encourage others to attain theirs", said Piki Thomas, National Manager Kaupapa Māori.

Raewyn Bleakley, Deputy Chief Executive of the Office of the Chief Executive, considers He Timatanga Kōrero a great resource and is pleased we are on this journey together.



Intelligence-led, evidence-based decisions

He whakatau whakamātautau ā-taunakitanga, ā-riahi ā-atamai

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

Every day our people make decisions that affect lives, property and the environment, whether in frontline or non-operational roles. We need good data, information, knowledge and insights to help us make sound, evidence-based decisions.



We use evidence for decisions such as how to reduce our impact on the environment by reducing our carbon footprint and greenhouse gas emissions.

The evidence and data that we collect also helps us make decisions on long-term investments. We have built a framework that will improve our investment governance to support our growing and changing organisation.

Reducing our impact on the environment

Our first carbon emissions baseline

We are committed to reducing our greenhouse gas emissions. This year we undertook the first inventory of our carbon emissions. This inventory provided us a baseline which showed that the largest contributors to our carbon footprint include our fire appliances, our other diesel vehicles, air travel, electricity, helicopters and travel for incident response and training.

In December 2020, the Government launched the Carbon Neutral Government Programme (CNGP) requiring the public sector to be carbon neutral by 2025. As part of the CNGP, government agencies will be required to measure and report their emissions annually, set emissions reduction targets and develop a plan to reduce their emissions.



We have completed our baseline inventory ahead of the Government's requirement. This has put us in a good position to identify further options to reduce our carbon emissions.

Sustainable building and suppliers

To reduce our carbon footprint, we use sustainable design and build practices for all existing and upcoming new property builds, major works and maintenance. This includes using energy-efficient products, collecting grey water, energy-efficient hot water cylinders, double glazing and insulation. As a trial, we installed solar water heating in two of our fire stations.

We worked with our personal protective equipment (PPE) laundry and repair provider to construct a state-of-the-art facility in Christchurch. This facility is efficient and environmentally friendly and reduces our carbon footprint by decreasing the need to freight PPE between the North and South Islands. Our laundry and repair provider has also reduced the amount of plastic going to landfill by switching to recyclable bags and boxes for PPE packaging.

Reducing our travel footprint

This year, we implemented an initiative to change the way we travel. This initiative was aimed at reducing our carbon emissions, the non-productive time spent travelling and the overall cost of travel.

We stood up a six-month pilot Travel Office (the Office) at National Headquarters (NHQ) in September 2020. The Office booked all travel for NHQ, our leadership teams and the Board from September to March 2021, and travel and accommodation for our Te Ihu region from January to March 2021.

As part of this initiative our Board led by example by reducing their travel and conducting meetings virtually. We have begun rolling out improved video-conferencing facilities to support this aim.

We finished assessing the Travel Office pilot at the end of March 2021 and, based on its success, made the Office a permanent function. It now manages all travel except travel related to training courses. The benefits of the Travel Office initiative for the 2020/21 year, compared to the 2018/19 financial year, have been:

- reduction of 1.96 million kilograms of carbon emissions
- 28,460 non-productive hours saved/repurposed
- travel spend reduced by \$6.56 million.

We will follow this successful initiative with a formal review of our travel and accommodation policies. This will ensure they are aligned with the broader public sector approach, changing how we plan and approve travel, and implementing a new travel booking tool.



‘Firefighters don’t like fire movies’ campaign

Our ‘Firefighters don’t like fire movies’ campaign aims to shift behaviours by showing that when movies portray fires, they often don’t show the reality or the devastating impacts that can follow.

Its creation followed an in-depth review of five years of fire incident data to inform our 2020/21 Risk Reduction and Community Readiness and Recovery communication strategy. The review made sure we focused on the actual fire risks facing New Zealand households.

It told us that in the 2019/20 year, there were no smoke alarms installed at one-third of the residential fires we responded to.¹⁰ To change that, we created and launched a new marketing campaign, aimed at increasing the percentage of New Zealand homes with at least one working smoke alarm.

Steve Turek, National Manager Community Readiness and Recovery, said, “Our research showed that authenticity was critical – we worked very hard to ensure that everything in the ads reflected reality.”¹¹

The ad focused on the aftermath of responding to a fatal house fire and starred Senior Station Officer David Wood, Senior Firefighters Aaron Jackson, Raymond Cowley, Chris Petrie and Tobi Noble, and National Advisor Fire Risk Management Pete Gallagher.

“I wanted to get involved because it was easy to see the ad had a very real script. It’s been lived. It’s not made up. It’s the reality of what’s experienced,” said Aaron.

Raewyn Bleakley, Deputy Chief Executive of the Office of the Chief Executive, said, “We thoroughly tested the concept to make sure it would have a real impact on people.⁸ Triggering people’s emotions is a way to change behaviour and encourage people to take action to install smoke alarms, which will ultimately save lives.”

Our campaign appeared between 8 March and 29 May 2021 across TV in both te reo and English, on video on demand, on radio, in print, online and on social media. It really hit home with the public, who gave us spontaneous

feedback including, “I just wanted to relay my appreciation of your latest TV commercial regarding the importance of smoke alarms. Of all the ads I’ve ever seen on this topic, this is the most powerful, and has had a tremendous effect on me – particularly the mention of the ‘howls of parents whose children are trapped inside...’. The day after seeing it, I went and purchased a smoke alarm for every room in my house. Thank you all for the hard, brave work you all do keeping us Kiwis safe.”

Most importantly, it seems to be making an impact. Our latest research showed the public’s awareness that a house fire can kill within five minutes has increased from 85 to 89 percent⁹ and the incidence of at least one working smoking alarm in New Zealand homes increased from 86.5 to 88 percent.¹²

¹⁰ SMS incident data for 2019/20 financial year.

¹¹ Qualitative research among members of the public, Nov 2020.

¹² Quarterly tracking survey among 4,000 respondents, comparing the period before the campaign (Quarters 1 and 2) to the period during and after the campaign (Quarters 3 and 4). We achieved or exceeded our relevant targets in Quarters 3 and 4 for measures 1.1.4 and 1.1.6. As shown on pages 52 and 53, these results did not compensate for the lower results in Quarters 1 and 2, before this campaign activity; hence we did not meet the full year targets.

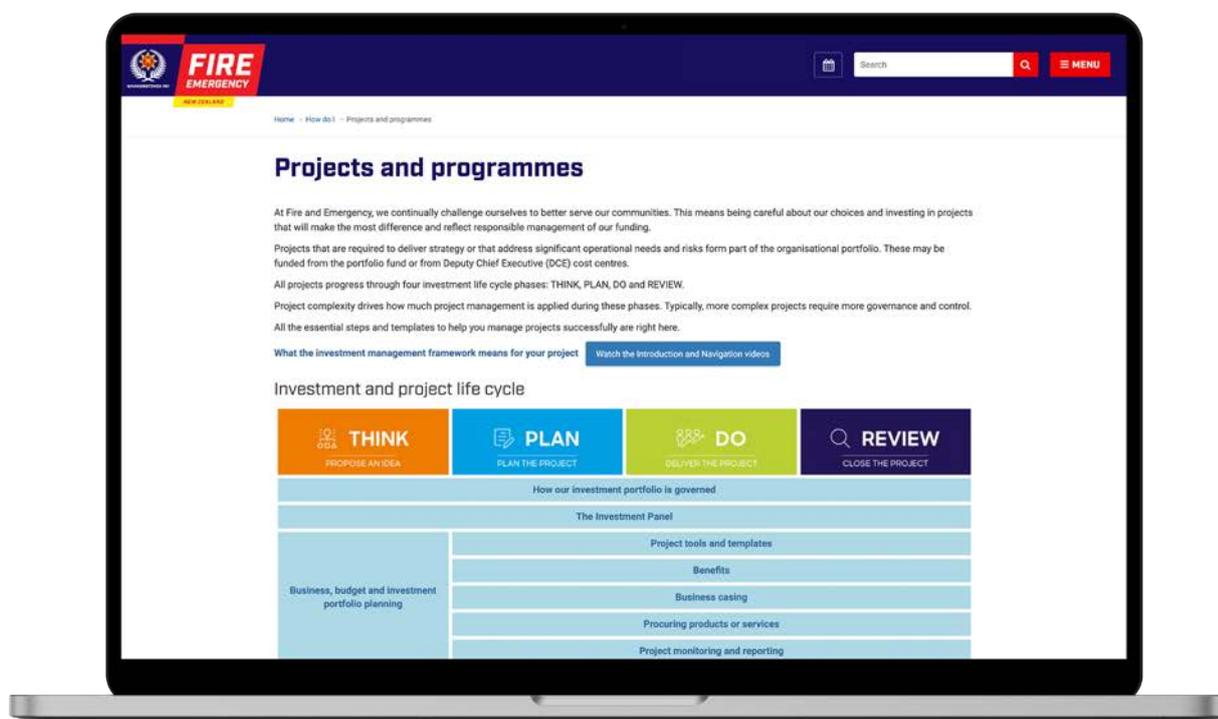
Portfolio, programme and project performance

To help us prioritise our investment, we run an annual investment prioritisation process to select a portfolio of work for the next four years. The portfolio is aligned to our 10-Year Plan, and balances strategic need with benefit, affordability and our ability to adopt the new capabilities our projects will bring. This year, we also committed to a multi-year investment in improving the portfolio, programme and project management (P3M) capability across our organisation.

By 2025, we expect to be operating a single investment management framework that guides how we select, design, deliver, and measure the benefits and outcomes

of our key projects and programmes. The benefits of this framework includes reduced costs of project delivery, improved delivery of 'strategy to plan', and improved capability for our people.

Over the year, we worked on developing the first version of this framework and launched it on 1 July 2021. The framework is designed to help improve investment governance and share a common language for P3M practice and process requirements. The framework is based on an international standard, and we have used it to undertake a robust, evidence-based assessment of a range of investment opportunities. Our framework is based around the widely recognised process: 'Think, plan, do, review'.





Keeping pace with change

Te haere tahi ki ngā hurihuritanga

We will be responsive and courageous in a changing environment

The demands on our organisation are changing as our communities and operating environment change. As we work with communities to identify different local risks and needs, we need to adapt our own organisation so we can better serve our communities.

Our journey to being a unified organisation needs us to adjust the way we work so that our services are locally delivered, regionally coordinated and nationally enabled across New Zealand communities. Our LACs and the introduction of local planning are critical tools to help us ensure our frontline work meets the specific needs of various communities as they continue to change.

Embedding our organisational structure

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

This year, we made significant progress by finalising the organisational changes across our organisation, with a unified leadership structure that operates across both the built and natural environments. The new structure provides for increased focus on risk reduction and community readiness. This supports our legislative mandate, ensures we continue to meet the current and future needs of the communities we serve, and help build resilient communities.

Our new structure will formally stand up on 27 September 2021.

While this structural change is an important milestone, it is only one aspect of the change we need. To truly realise the benefits of one unified organisation, we must adopt new ways of working and embed our organisational values. By doing this, we will reflect what is important to our people and set out what we believe is core to who we are and the organisation we aspire to be.

Local Advisory Committees

The Act requires us to establish LACs in each local area to provide local advice to inform our planning. LACs are made up of members of the public who have strong connections with a broad range of people and interests within their communities. LACs are an important tool in strengthening our relationships with communities.

The first seven LACs were established in June 2020 on the West Coast, in Northland, Tairāwhiti, Hawke's Bay, Marlborough, Chatham Islands and Otago. During their first year, the LACs have been working to build connections and provide independent, community-focused, strategic advice on local needs, issues and planning. They give us local advice and consider and promote the interests of local volunteers.

We have completed our Year 1 evaluation of the first seven LACs and the report is due early in the 2021/22 year. This evaluation was a key programme of work and helped us achieve our performance target. The evaluation of the establishment of the first LACs will help inform our next steps.



Local planning

Local planning is a function set out in the Act that we are required to undertake. It operates at a local level to identify specific needs, resources, constraints and capabilities that relate to our activities. Local planning takes into account advice from a range of stakeholders including civil defence emergency management groups, LACs, emergency partners, iwi, agencies and community organisations. This process collectively informs decision-making so we are better able to support our local communities.

Over the year, we have transitioned this function into business as usual to progress an agreed approach and the establishment of local planning related processes. This has involved engagement and consultation with key stakeholders to enable us to initiate local planning into existing planning processes. Specific tools and resources continue to be developed to help our people undertake this function.

Integrated asset management

Equipment and logistical improvement

Fire and Emergency manages assets of \$1.50 billion and of this, \$1.19 billion includes land, buildings, equipment and fire appliances. During the year, we invested \$96.88 million into these assets. To support this investment, we have developed a programme to improve our equipment and logistics support through our Equipment and Logistics Strategic Improvement Programme.

This programme is a multi-year, multi-workstream project with a modern equipment asset management system at its core. It will be led nationally, executed regionally and delivered locally. Its purpose is improve equipment and logistics capability and delivery for

people, process, platform, infrastructure, technology and environment. It will help us create a fit-for-purpose, future-proofed equipment and logistics system for Fire and Emergency.

Fire hose is a key enabler of effective firefighting and it forms the majority of our firefighting equipment inventory. This year we have sourced a HoseMaster™ Hose Care Machine. The HoseMaster cleans, tests, detects and identifies leaks, dries and coils hose in an enclosed space and can be operated by a single person. It provides more effective and safer hose maintenance, significantly reduces water consumption and largely automates hose maintenance and testing. Early proof-of-concept trialling indicates that it will significantly improve our fire-hose-related equipment and logistics support.

Improved gas detector capability

Nothing is more important to us than the health, safety and wellbeing of our people who operate in potentially toxic environments. Gas detectors are an important safety tool for many of the jobs our people do, keeping our frontline personnel safe and well from the immediate dangers of explosive atmospheres and toxic gases. At the end of 2019/20, we carried out trials on potential solutions to replace and upgrade the personal gas monitors our firefighters and fire investigators use. We rolled out some new leased gas detectors to replace the ageing ones. These are lightweight, handheld solutions, and we are working to procure a more permanent option. We are also procuring larger detectors, known as survey detectors. These will allow frontline personnel to detect various gases and easily identify the source of a hazardous substance incident.

Improvements to our fleet

We use a range of appliances for different types of emergency incidents. During the 2020/21 year, we took delivery of 52 new appliances, including Type 1 and Type 2 pumping appliances, rural appliances and water tankers. We distributed them to fire stations across the country to ensure we have the right equipment in the right place when responding to fire incidents.

A procurement process for new Type 3 heavy pumping appliances is well advanced, having identified suppliers for the Type 3 appliance trials in 2022/23. We have started a procurement process for new high-reach aerial appliances to replace existing aerial appliances that are approaching their target end of life and have established a contract for the supply of Incident Support Vehicles.

Property

We have 638 fire station sites across New Zealand as part of our network, and we maintain and improve these to ensure our property is fit for purpose. Over the financial year, we have invested \$3.63 million in land and \$51.58 million towards buildings, which includes building new stations and upgrading others. We were successful in securing funding from the COVID-19 Response and Recovery Fund (CRRF) to rebuild and upgrade 26 fire stations. The funding is up to \$51.30 million over three years and we have received \$19.29 million of this in this financial year.

Over the 2020/21 financial year, we have:

- completed or started 340 property projects to improve our property network
- completed seven new builds in East Coast Bays, Spencerville/Brooklands, Ilam Fire Station and Engineering Facility, Lake Ōkareka, Pōkeno, Shotover Country Resource Garage, and a Greymouth Support Facility
- completed five seismic upgrades in Titahi Bay, Featherston, Kawakawa Bay, Seaview and Queenstown
- purchased three pieces of land in Greerton, Haast and Drury
- started ten new builds in Greytown, Appleby, Peel Forest, Kaikōura, Taihape, Cavalli, Christchurch City, Sumner, Athol and Makarora.

One of the builds we completed was the Spencerville Volunteer Station, which combined the Bottle Lake Rural Fire Brigade and the Brooklands Volunteer Brigade in Christchurch. Combining these stations reflects the changing needs of the community and makes better use of the diverse expertise that both brigades have to offer. Our Minister Hon. Jan Tinetti opened the new station on 1 May 2021.

During the year, with CRRF funding, we completed six of these projects and have started a further 12 projects in the last quarter. We will progress and complete remaining CRRF projects in the coming year.





Travel changes positive for our people, business and the environment

In 2020, Fire and Emergency started changing the way we manage our domestic travel.

We introduced a centralised travel office, new guidelines for travel and accommodation, a new online booking form and more streamlined booking processes. We rolled out improved technology to support our people with online meetings.

Deputy Chief Executive Finance and Business Operations Darryl Purdy said there were several reasons for the changes.

"Fire and Emergency, like other government agencies, must be conscious of reducing our environmental impact, demonstrating sustainable practices, and making sure we are delivering value for public money.

"We identified ways we could change our approach to travel that would help us achieve these, as well as reduce our travel spend and improve the wellbeing of our people with less down time in airports and time away from their families.

"The time spent in lockdown as a result of the COVID-19 pandemic also showed us we can manage many of our usual business activities effectively using

technology rather than via travelling."

A year on, we have been able to measure the results of the changes and they are all positive. We have made significant savings in our carbon footprint, our people's time spent travelling, and across expenditure.

The carbon emissions we generate are measured in kilograms and over the last two years, through less air travel, we reduced our carbon kilograms by 79 percent compared to the 2018/19 year. This is equal to saving over 100,000 10-year-old trees. Data from 2020/21 was compared with 2018/19 to provide a more realistic comparison as travel in 2019/20 was disrupted by COVID-19.

We reduced the number of one-way flight hours from 43,585 in 2018/19 to 15,125 in 2020/21 which means a saving of 28,460 hours of down-time for our people. We also reduced the amount of total flights by 65 percent.

In travel expenditure, we saved over \$6.56 million when compared to the 2018/19 financial year. We recognise that due to restrictions and border closures there were impacts on travel in 2020/21, particularly for international travel, however the results indicate that the travel project had an impact beyond reductions due to restrictions.

Darryl said all of this could not have been achieved without the willingness of our people to adapt to the changes.

"These results are good news for Fire and Emergency as an organisation, for our people, and for the planet."

CARBON EMISSIONS

FY2020/21
 **79%** reduction in carbon kilograms compared to FY2018/19

Equivalent to 100,000+ 10-year-old trees

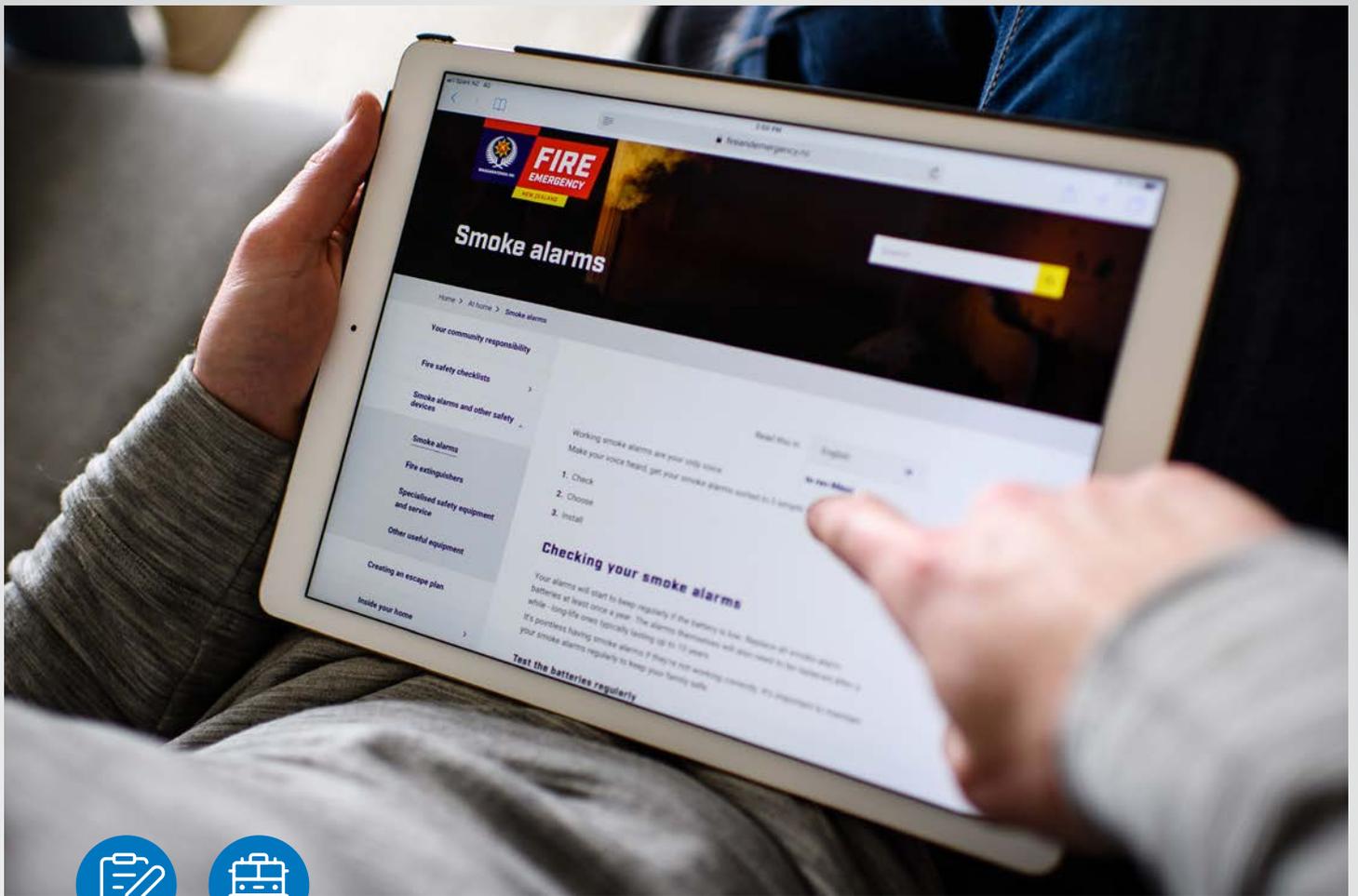


ONE-WAY FLIGHT HOURS

28,460 
 hours of downtime saved

TRAVEL EXPENDITURE

 **\$6.56m** saved
 FY2020/21 compared to FY2018/19



Mobility Project delivers real-time data to firefighters on the move

Firefighters benefit from having accurate information when responding to calls. We have been developing and trialling a platform and systems that let crews easily access live data on the road, at the fireground and at their desks.

The Mobility Project uses tablets and a suite of applications to deliver reliable information to crews wherever they are, including incident information in near real time. It means crews aren't reliant on paper-based records or personal knowledge about an area or building. It also lessens the need for them to request updates when radio channels are already busy with incident-related traffic.

The project team has run a successful operational pilot in 16 fire stations and 24 appliances around the country and is ready to install the Mobility Tactical

Solution in the busiest 200 appliances in 2021/22, with a comprehensive training programme planned for their crews.

Project lead Mike Winiata said the initial 24 tablets are still in use and proving their worth every day. An example involved a fire at a Dunedin golf club in June, when firefighters used the mobile technology to locate additional water supplies by accessing site-specific plans and information from the fireground.

Overnight on 28 June 2021 the clubhouse at the Belleknoves Golf Course caught fire. With snow on the ground, locating hydrants was a challenge for the responding crews, who found themselves short of water to tackle a building that was well ablaze.

A senior firefighter from Dunedin Central emailed the project team the next day to report how the mobile technology had helped him when the closest hydrant

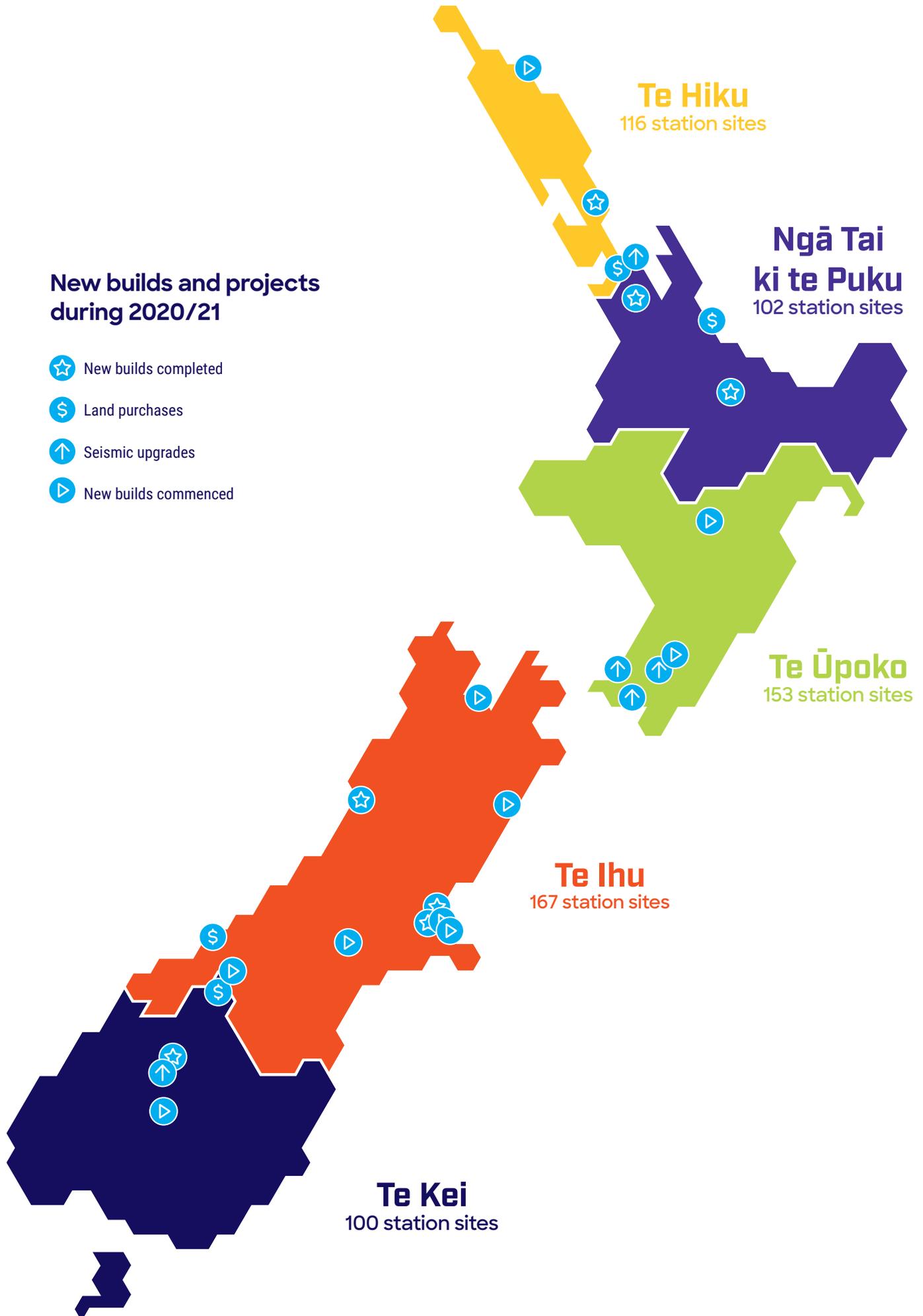
to the fire couldn't deliver the water needed. *"I checked the mobility tablet to see where the next closest hydrant was and found there were two different water mains on Ross Street and if I just went up the hill 50 metres I could use a hydrant from the other water main."*

By using mobile technology to locate the second water main quickly, all the crews were able to access the water they needed to tackle the blaze.

"I just wanted to share this with you guys to let you know from a frontline point of view how valuable this project is to us now and will be to those who are yet to get it," the senior firefighter wrote. *"It really helped me at Belleknoves when I needed water in a hurry, and lots of it!"*

New builds and projects during 2020/21

-  New builds completed
-  Land purchases
-  Seismic upgrades
-  New builds commenced



Our performance

Te āhua o ā mātou mahi



This Annual Report should be read alongside the SPE 2020/21 and the 2020–2024 SOI, as these documents set our strategic direction and priorities.

The SPE 2020/21 sets out our expected non-financial and financial performance for the year to 30 June 2021. The section below reports on our performance against those expectations over the past 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. Responding to other emergencies, including medical, maritime, other rescues and natural hazard events

6. Organisational health and capability

Crown public good contribution

Statement of performance

Te tauākī mahi

Reportable outputs

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

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

Promote fire safety (1.1)

Every year we promote fire safety by delivering campaigns, education programmes and advice – nationally and locally. We aim to change behaviour by communicating fire risks and how to reduce those risks.

Measure	Target	Actual	2020/21	2019/20
			Met	Actual
1.1.1 Rate of recidivism among Fire Awareness and Intervention Programme participants	Below 10%	6%		7.3%
1.1.2 Percentage of schools with year 1 and 2 students offered the Get Firewise Programme	100% by 30 June 2021	96%		76%
Notes: We offered 1,929 schools the Get FireWise Programme, which is 96 percent of schools with Year 1 and 2 students. While this part of the overall Firewise measure was not achieved, it had no effect on the actual completion of the programme by schools who exceeded the target set (see measure 1.1.3 below). Work is now under way to review the Firewise measures as they do not effectively measure the programme or any associated behaviour change as a result of it.				
1.1.3 Percentage of schools with year 1 and 2 students who complete the Get Firewise Programme	40% ¹³ by 30 June 2021	53%		26%
1.1.4 Percentage of survey respondents ¹⁴ who are aware that a fire can become unsurvivable within five minutes	88%	87%		86%
Notes: The annual result is one percentage point below our target. In Quarters 3 and 4, since the launch of the new speed of fire campaigns (smoke alarms and Escape Week campaigns), there has been a significant uplift in the awareness of the speed of fire fact, and we have achieved or exceeded our target in the last two quarters. However, these results did not compensate for the much lower awareness in Quarters 1 and 2, when we had no campaign activity focused on this fact.				
1.1.5 Percentage of survey respondents with an escape plan	62%	61%		New measure

Notes: The annual result is one percentage point below our target.
This is primarily driven by our Escape Week campaign in February 2021, which was effective at increasing awareness of the speed of fire fact, resulting in more New Zealand households now claiming that they don't have an escape plan (compared with the period before the campaign). We believe this is due to our campaign educating more people on what a fit-for-purpose, quality escape plan consists of, and as a result, more people have realised the plan they have may not be adequate.

¹³ We expect both demand and completion timings for the programme to be significantly affected by COVID-19. To enable easier access to the programme, we have developed online learning material and offered alternative ways to deliver the modules.

¹⁴ Survey respondents are a nationally representative sample of 1,000 people who are surveyed quarterly.

Measure	2020/21		2019/20
	Target	Actual	Actual
1.1.6 Percentage of survey respondents with at least one installed and working smoke alarm	88%	87%	87%
Notes:	<p>The annual result is one percentage point below our target.</p> <p>In Quarters 3 and 4, since the launch of the new smoke alarms campaign in March 2021, the incidence of survey respondents with at least one working smoke alarm has achieved the target of 88 percent. However, these results did not compensate for the lower incidence in Quarters 1 and 2, during which we had no relevant campaign activity.</p>		
1.1.7 Percentage of Home Fire Safety Visits delivered in 'medium- and high-risk communities' ¹⁵	40%	36%	New measure
Notes	Meeting this target was difficult due to inadequate targeting data. We are evaluating this programme.		
1.1.8 Percentage of high-risk survey respondents ¹⁶ who are aware of the heightened outdoor fire risk over summer	91%	89%	New measure
Notes	<p>The annual result is two percentage points below our target.</p> <p>This result indicates that our summer wildfire campaign and new 'Check it's alright' online tool have been effective at maintaining very high awareness of the risk of outdoor fires among rural and semi-rural dwellers. Compared with 2019/20 (which was the baseline for setting the 2020/21 target) there have been fewer significant wildfire events in New Zealand and overseas and an absence of media coverage about summer wildfire risks (also due to COVID-19), and we believe this has impacted the awareness level.</p>		
1.1.9 Increased number of page views on our external websites ¹⁷	20% increase ¹⁸	17%	New measure
Notes:	Our 17 percent increase in page views equates to 4,495,217 page views. Compared with the year prior, this result is driven by a 26 percent increase in page views on our 'Check it's alright' website, which indicates that the new Fire Danger tool is useful and of value to the public. There has also been a 22 percent increase in page views on the main Fire and Emergency website, which suggests the public are viewing more information and content on our main website. These two websites account for 94 percent of the external website page views.		
1.1.10 Annual external stakeholder engagement survey score	7.5/10 or better ¹⁹	7.0/10	6.4/10
Notes:	<p>Lower results in the survey are mostly related to current organisational changes. More positive results indicate we have good working relationships and perform strongly in some specific areas, including engaging in the community, being interested in long-term partnerships, being collaborative, knowledgeable and responsive.</p> <p>The survey was conducted by Colmar Brunton and the response rate was 23 percent. Our results are close to the overall benchmark for other government departments, which is 6.9/10. For 2021/22 we are developing more comprehensive stakeholder engagement and management plans to support further improvements in this area.</p>		

¹⁵ Medium- and high-risk as designated on Smart Risk – an application that identifies 'at-risk' groups and allows them to be shown on an interactive map.

¹⁶ 'High-risk survey respondents' refers to rural and semi-rural dwellers among a nationally representative sample of 1,000 people.

¹⁷ Fireandemergency.nz, checkitsalright.nz, escapemyhouse.co.nz.

¹⁸ The baseline is 3,628,578 page views (1 May 2019 – 30 April 2020). This measure will be reported against the updated baseline (1 July 2019 – 30 June 2020) in the quarterly and annual reports.

¹⁹ A score of 7.5 is regarded as very good, and a score of 8 or 9 is regarded as excellent.

Provide fire prevention services (1.2)

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

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

Measure	2020/21			2019/20
	Target	Actual	Met	Actual
1.2.1 Percentage of building consent assessments ²⁰ processed within 10 working days	98%	100%		99.4%
1.2.2 Percentage of applications for evacuation schemes processed within the legislative time frames ²¹	100%	96%		98%

Notes: Results in Quarter 4 show that, of the 1,347 evacuation schemes received, 96 percent were processed within the mandatory time periods. The remaining 3.8 percent were not completed within the time frames due to issues such as our IT programme being offline to be updated for our organisational structure changes, and processing delays caused in part by temporary staff leaving unexpectedly.

1.2.3 Rate of connected PFA ²² false alarms per 100 connections	<60:100 connections	56:100		New measure
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Notes: The purpose of this measure is to monitor the number of PFA false alarms per 100 connections. The results from this measure are used to monitor how false alarm rates are progressing and to perform trend analysis.

Assist in setting fire safety standards, and granting certificates or approvals (1.3)

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	2020/21			2019/20
	Target	Actual	Met	Actual
1.3.1 Percentage of fire permits processed within required time frames ²³	95%	96%		New measure

Ensure compliance with standards through monitoring and enforcement (1.4)

There is no current measure, we are working through how best to measure effectiveness as we establish our compliance and enforcement role.

20 Certain building consent applications must be provided to Fire and Emergency as per section 46 of the Building Act 2004.

21 Fire and Emergency New Zealand (Fire Safety, Evacuation Procedures, and Evacuation Schemes) Regulations 2018, Part 2 Evacuation schemes, section 19.

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

23 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 from emergencies, how affected communities recover from fires, and how much they value and trust our services. Our focus is to deliver timely and effective fire response and suppression services that follow good practice, have a conscientious operational footprint and, where appropriate, work well with partners and stakeholders.

Response to fire (2.1)

Responding to structure and vegetation fires is a main response function, along with responding to wildfires nationally and internationally. Our national Service Delivery Guidelines (SDGs) provide communities with an indication of our expected response. These SDGs provide targets to ensure we deploy resources to respond quickly for these types of incidents.

Measure	2020/21		2019/20	
	Target	Actual	Met	Actual
2.1.1 Percentage of structure ²⁴ fires arrived at by career crews within 8 minutes	80%	80%	✓	79%
2.1.2 Percentage of structure fires arrived at by volunteer crews within 11 minutes	85%	84%	✗	86%
Notes: We have started a review of our SDGs, which will help us determine appropriate measures to better consider the overall 'effectiveness of response'.				
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 2021	Achieved	✓	Achieved
2.1.5 Percentage of international wildfire requests for assistance where a response from Fire and Emergency is made within specified time frames ²⁵	95%	No requests attended	✓	96%
2.1.6 Percentage of Communication Centre events dispatched for all incidents in rural environments, within 2 minutes of receiving the 111 call	85%	88%	✓	82%
2.1.7 Percentage of Communication Centre ²⁶ events dispatched for all incidents in urban environments, within 90 seconds of receiving the 111 call	85%	85%	✓	New measure

²⁴ Structure fires within urban environments.

²⁵ A response is defined as whether we are able to be of assistance. We aim to provide a response within the time frames specified in the formal letter of request.

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

3. Render safe hazardous substances and provide for safety at incidents

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

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

Response to hazardous substances incidents (3.1)

Responding to hazardous substance incidents is a main response function to stabilise the environment and render it safe, and to protect people and property endangered by these types of incidents.

Measure	2020/21		2019/20	
	Target	Actual	Met	Actual
3.1.1 Percentage of hazardous substances incidents arrived at by crews with specialist resources ²⁷ within 60 minutes	85%	92%		96%

Assist in promoting the safe use of hazardous substances (3.2)

We assist in promoting the safe use of hazardous substances in terms of handling, labelling, signage, storage and transportation. We are considering a potential measure for this output sub-class.

²⁷ Specialist resources means attendance by Fire and Emergency personnel with specialist skills or HazMat Command Vehicles. These are specialist units designed for use at hazardous material 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 traffic 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 traffic 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.

Response to transport accidents (4.1)

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	2020/21			2019/20
	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%

Provide urban search and rescue services (4.2)

Unplanned events are happening more often and becoming more severe. Our main function includes providing urban search and rescue services. This means we deploy skilled and specialist USAR teams both nationally and internationally. We maintain this capability through specialised training and strategic placement of equipment caches so we can respond quickly.

Measure	2020/21			2019/20
	Target	Actual	Met	Actual
4.2.1 Percentage of offshore USAR deployments that reach the point of departure ²⁸ within agreed time frames ²⁹	100%	Not applicable		Not applicable

Notes: USAR was not deployed during 2020/21.

4.2.2 International Search and Rescue Advisory Group (INSARAG) reclassification achieved by USAR	Maintain heavy team classification ³⁰	Classification maintained		Classification maintained
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Notes: Our current INSARAG heavy classification has been extended to May 2022 because of a global decision to postpone reclassification due to COVID-19. As the classification was extended in May 2020, we have altered the 2019/20 result for consistency.

²⁸ The point of departure is the assembly point specified in the Ministry of Foreign Affairs and Trade tasking note, which is unique to each offshore deployment.

²⁹ Time frames are specified within documents specific to each type of deployment.

³⁰ Heavy USAR teams have the operational capability for difficult and complex technical search and rescue operations. Every five years, USAR must reclassify to maintain this status.

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

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

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

Assist in responding to medical emergencies (5.1)

Responding to medical emergencies is an additional response function. It is based on 'first- and co-response' levels of expertise to assist our emergency service partners St John and Wellington Free Ambulance. This partnership can help to save lives, particularly as our crews are sometimes the first at the scene of an incident, e.g. an out-of-hospital cardiac arrest. This means they can start defibrillation and CPR as soon as possible.

Our national SDGs provide targets to ensure we respond to these types of incidents as quickly as possible.

Measure		2020/21		2019/20	
		Target	Actual	Met	Actual
5.1.1	Percentage of career crews who respond to medical emergencies ³¹ within eight minutes	85%	85%	✓	86%
5.1.2	Percentage of volunteer crews who respond to medical emergencies within 11 minutes	80%	79%	✗	80%

Notes: Volunteers responded to medical emergencies within 11 minutes 79.4 percent of the time. Our people continue to focus on improving the time it takes from the Brigade being notified of an incident to the truck leaving the station. Communications Centres continue to focus on increasing performance in dispatching to incidents to improve overall response times.

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

We assist in responding to other emergencies including maritime incidents, severe weather events, natural hazard events and disasters, other non-hazardous-substance-related incidents, and any other situation if we are able to help. We collected response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected data sets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.

Assist in responding to non-transport-related rescue incidents (5.3)

Performing rescues is an additional response 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 collected response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected data sets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.

³¹ Medical emergencies within urban environments.

6. Organisational health and capability

We have completed significant work to lift our organisation's health and capability over the past year, noted previously in this report. This includes improvements to our culture, support to volunteers, our systems and processes such as our travel, and maturity of our programme management capital asset management.

Milestone-based performance measures (6.1)

In addition to our reportable outputs, we have identified other measures that demonstrate performance of our key programmes of work.

Measure	Target	Actual	2020/21	2019/20
			Met	Actual
6.1.1 Undertake an evaluation of the seven Local Advisory Committees	By 30 June 2021	Achieved		New measure
6.1.2 Initiate local planning into existing region planning processes	By 30 June 2021	Achieved		New measure
6.1.3 Survey our people to establish a baseline of their knowledge of the Māori Outcomes Programme	By 30 June 2021	Achieved		New measure
6.1.4 Report six monthly to the public and our people on the organisational progress against the Volunteerism Strategy	2000 individuals by 30 June 2021	Achieved		New measure
6.1.5 Deliver psychological wellbeing workshops for our people	By 30 June 2021	Achieved		New measure
6.1.6 Report six-monthly to the public and our people on the progress made to deliver the Positive Workplace Culture Programme	By 30 June 2021	Achieved		New measure
6.1.7 Establish an environmental emissions baseline to inform future sustainability planning	By 30 June 2021	Achieved		New measure
6.1.8 Integrate the Performance Measurement Framework into national planning processes	By 30 June 2021	Achieved		New measure
6.1.9 Conduct the annual organisation-wide people survey	By 30 June 2021	Achieved		New measure

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 provided by Fire and Emergency. This contribution was put 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	Target	Actual	2020/21	2019/20
			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

	2021 Actual \$000	2021 Budget \$000
1.1 Promote fire safety		
Levy	62,302	40,327
Other revenue	3,067	1,339
Total revenue	65,369	41,666
Total expenditure	61,181	41,217
Net surplus/(deficit)	4,188	449
1.2 Provide fire prevention services		
Levy	10,619	9,184
Other revenue	279	305
Total revenue	10,898	9,489
Total expenditure	10,428	9,387
Net surplus/(deficit)	470	102
1.3 Assist in setting fire safety standards and granting certificates or approvals		
Levy	23,245	24,524
Other revenue	1,901	814
Total revenue	25,146	25,338
Total expenditure	22,826	25,065
Net surplus/(deficit)	2,320	273
1.4 Ensure compliance with standards through monitoring and enforcement		
Levy	2,570	2,714
Other revenue	208	90
Total revenue	2,778	2,804
Total expenditure	2,524	2,773
Net surplus/(deficit)	254	31

2.0 Fire response and suppression

	2021 Actual \$000	2021 Budget \$000
2.1 Response to fire		
Levy	335,796	334,460
Other revenue	8,821	11,104
Total revenue	344,617	345,564
Total expenditure	329,752	341,850
Net surplus/(deficit)	14,865	3,714

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	9,310	13,436
Other revenue	1,535	446
Total revenue	10,845	13,882
Total expenditure	9,142	13,733
Net surplus/(deficit)	1,703	149
3.2 Assist in promoting the safe use of hazardous substances		
Levy	376	386
Other revenue	150	13
Total revenue	526	399
Total expenditure	369	394
Net surplus/(deficit)	157	5

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

	2021 Actual \$000	2021 Budget \$000
4.1 Response to transport accidents		
Levy	72,227	71,944
Other revenue	1,898	2,389
Total revenue	74,125	74,333
Total expenditure	70,927	73,532
Net surplus/(deficit)	3,198	801
4.2 Provide urban search and rescue (USAR) services		
Levy	9,088	16,817
Other revenue	1,669	558
Total revenue	10,757	17,375
Total expenditure	8,925	17,188
Net surplus/(deficit)	1,832	187

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

	2021 Actual \$000	2021 Budget \$000
5.1 Assist in responding to medical emergencies		
Levy	42,214	37,681
Other revenue	2,539	1,251
Total revenue	44,753	38,932
Total expenditure	41,454	38,513
Net surplus/(deficit)	3,299	419
5.2 Assist in responding to other (non-medical related) emergencies		
Levy	36,548	52,064
Other revenue	3,810	1,698
Total revenue	40,358	53,762
Total expenditure	35,891	53,213
Net surplus/(deficit)	4,467	549
5.3 Assist in responding to non-transport related rescue incidents		
Levy	2	275
Other revenue	0	40
Total revenue	2	315
Total expenditure	2	281
Net surplus/(deficit)	0	34

Our financials

Te arotakenga pūtea

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
- 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 provided by Fire and Emergency New Zealand under section 19A of the Public Finance Act 1989.

We have the responsibility 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 2021.

For and on behalf of the Board:



Rebecca Keoghan

Chair

29 October 2021



Malcolm Inglis

Deputy Chair

29 October 2021

Independent Auditor's report

Te rīpoata a te kaiarotake tūtahi

To the readers of Fire and Emergency New Zealand's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Fire and Emergency New Zealand (Fire and Emergency). The Auditor-General has appointed me, John Whittal, 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 74 to 114, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expenses, 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 46 and 52 to 63.

In our opinion:

- the financial statements of Fire and Emergency on pages 74 to 114.
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 46 and 52 to 63:
 - presents fairly, in all material respects, Fire and Emergency's performance for the year ended 30 June 2021, 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.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 29 October 2021. 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 4 to 118, 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 probity assurance engagements for five procurement contracts which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, Fire and Emergency.



John Whittal

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

Financial commentary

Ngā korero ahumoni

We acted quickly to consider and respond to the impact of COVID-19 on the Fire and Emergency levy, which is our predominant source of income. As this is an insurance-based levy, we anticipated there might be levy reductions and planned for three potential savings programme scenarios.

From June to August 2020, levy reduced by an average of 9 percent, and the Board approved the implementation of the savings programme scenario most closely related to the loss of income. From September 2020, levy began to recover as the economy strengthened at an unexpected rate. We saw significant month-to-month variability in the levy, but by end of the financial year it was slightly over the annual budget, set prior to the COVID-19 pandemic.

This uncharacteristic variability and the continued threat of COVID-19 meant the Board maintained the cost savings programme for the full year. As the recovery of levy continued, the Board did release some savings made through the programme to meet specific cost pressures in the organisation.

The recovery of the levy and application of the savings programme meant we ended the year with a substantial positive variance to budgeted surplus and higher cash balances than planned.

The increase in the cash balance is a positive outcome for the organisation as a strong balance sheet is important with the continued threat of COVID-19 and the need to respond to some significant new demands over the next few years. The organisation has more than \$2 billion of required capital expenditure over the next two decades, including like-for-like fire station renewal and refurbishment. We will also need to purchase more carbon efficient appliances, such as EV vehicles, to respond to climate change and the Government's goal of becoming carbon neutral by 2025. We will also require increased working capital of approximately \$50 million to cover the additional month's delay in receipts when the new levy provisions of the Fire and Emergency Act are implemented in July 2024.

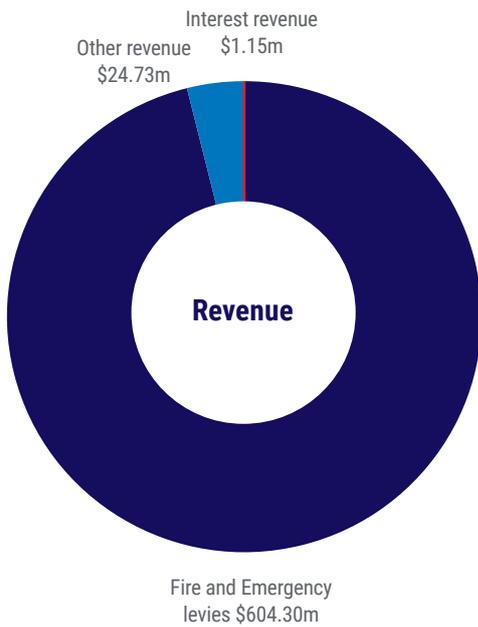
In this financial year, Fire and Emergency earned revenue of \$630.17 million and incurred expenditure of \$593.42 million, resulting in a net operating surplus of \$36.75 million, an improvement over budget of \$30.04 million.

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 we have received \$19.29 million of the capital injection in this financial year.

The value of our land and buildings increased by \$103.62 million as a result of changes in the property market.

Total equity (or the value of the organisation) increased to \$1.29 billion and maintains our strong financial position. This reflects the prudent management of the resources entrusted to us by the community and also recognises our Crown Entity status and emergency first response responsibility.

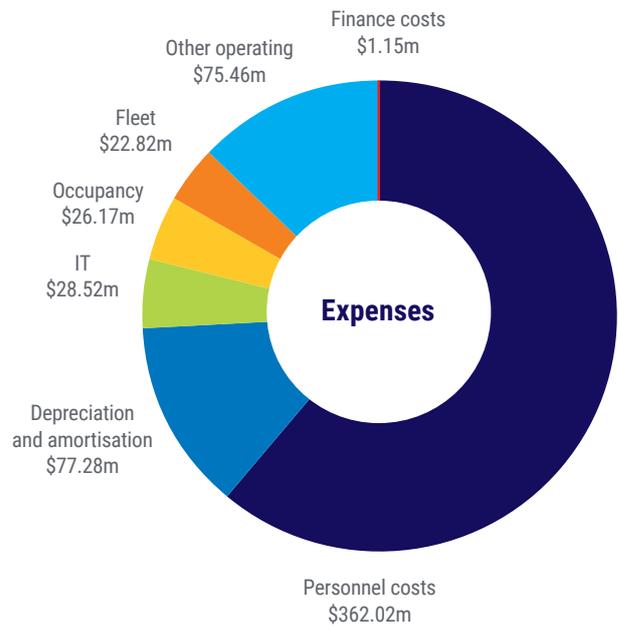




Revenue

Over 95 percent of our revenue is received through the Fire and Emergency Levy. Levy revenue was \$604.30 million for the year, which was \$0.49 million (0.1 percent) higher than budget. A reduction in levies from small businesses impacted by COVID-19 was offset by levies generated from medium to large organisations and capital works policies.

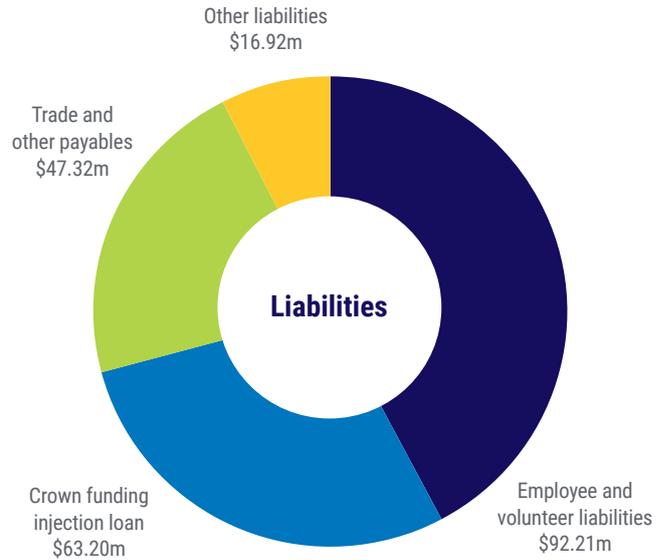
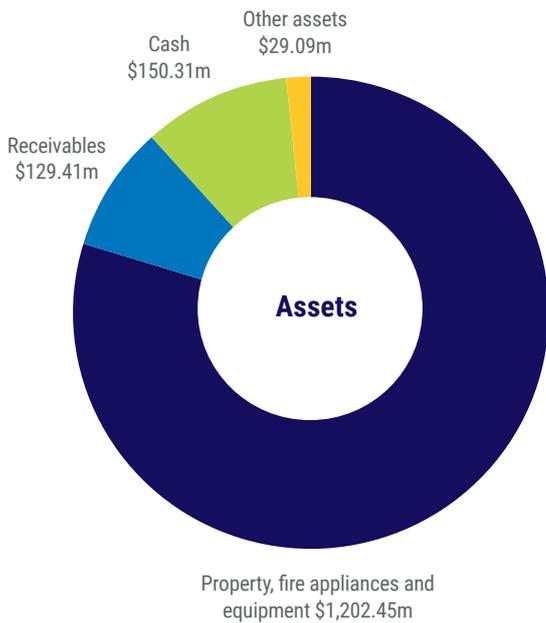
Other revenue was \$24.73 million for the year. This was \$6.23 million higher than budget due to the settlement of historical claims for cost recoveries for fires originating on public land.



Expenses

The majority of our costs relate to personnel. In 2020/21 we incurred costs of \$362.02 million on salaries and wages, superannuation, ACC levies, and employee and volunteer benefits. Personnel costs were \$24.62 million lower than budget, mainly because the actuarial valuation of gratuities and long service leave decreased after discount rates increased. There was also an extension of the planned time frames for establishing our new organisational structure as we invested additional time consulting fully with affected staff.

Other expenses totalled \$152.97 million and were \$12.69 million lower than budget due to COVID-19-related savings plans implemented.



Assets

Fire and Emergency manages assets of \$1.51 billion. Of these \$1.20 billion is land, buildings, fire appliances and equipment. During the year we invested \$96.88 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 the Government announced that the public sector was to be carbon neutral by 2025. Fire and Emergency will look to transition to a lower carbon emission fleet at an increased rate to meet the set deadline. As a consequence, depreciation expense on fire appliances has been accelerated and resulted in an increase depreciation expense of \$8.15 million this year. The new carbon efficient appliances required to replace our existing diesel fleet are currently unknown but, as with most new technology, almost certain to cost more than traditional replacements.

Receivables, the second largest asset, was \$129.41 million at year end. Over 95 percent of this is levies due, which have not changed significantly from the prior year

Cash and cash equivalents

Cash and cash equivalents are \$150.31 million at year end. Amounts ring-fenced to support the Capital infrastructure investment reserve and the Seismic resilience reserve contributed to 22 percent of the balance.

The balance will be used for operational cash flow purposes. These include the cost of significant adverse events such as the Tasman fires – currently funded from operational resources and without recourse to Crown for additional support. There is also the need to fund the planned capital expenditure for asset replacements and upgrades not covered in existing reserves, and to cover the delay in levy payment time frames in 2024 when our receipt cycle moves from two to three months.

Liabilities

Fire and Emergency continues to maintain a low level of liabilities. Liabilities totalled \$219.65 million in 2020/21. Liabilities include employee and volunteer liabilities of \$92.21 million, which is made up of various leave and gratuity entitlements and the Crown funding injection loan of \$63.20 million.

Statement of financial performance

For the year ended 30 June 2021

	Note	2021 Actual \$000	2021 Budget \$000	2020 Actual \$000
Revenue				
Levy		604,297	603,812	595,770
Interest revenue		1,152	1,547	2,465
Other revenue	2	24,725	18,500	27,756
Total revenue		630,174	623,859	625,991
Expense				
Employee and volunteer benefit expense	3	362,023	386,644	375,919
Depreciation and amortisation expense	7, 8	77,277	64,493	63,071
Finance cost		1,149	351	1,509
Other expense	4	152,972	165,658	158,983
Total expense		593,421	617,146	599,482
Net surplus/(deficit)		36,753	6,713	26,509

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 2021

	Note	2021 Actual \$000	2021 Budget \$000	2020 Actual \$000
Net surplus/(deficit)		36,753	6,713	26,509
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Gain on revaluation of land and buildings	7	103,624	6,007	44,793
Total other comprehensive revenue and expense		103,624	6,007	44,793
Total comprehensive revenue and expense		140,377	12,720	71,302

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 2021

	Note	2021 Actual \$000	2021 Budget \$000	2020 Actual \$000
Assets				
Current assets				
Cash and cash equivalents	5	150,308	55,198	102,005
Trade and other receivables	6	129,414	129,992	131,543
Prepayments		3,409	3,953	4,537
Non-current assets held for sale		925	-	1,997
Total current assets		284,056	189,143	240,082
Non-current assets				
Property, plant and equipment	7	1,202,451	1,081,494	1,074,257
Intangible assets	8	24,758	33,786	31,342
Total non-current assets		1,227,209	1,115,280	1,105,599
Total assets		1,511,265	1,304,423	1,345,681
Liabilities				
Current liabilities				
Trade and other payables	9	47,326	43,245	46,896
Employee and volunteer benefits	10	40,768	38,565	38,350
Borrowings	11	13,428	13,707	13,414
Provisions	12	8,440	1,996	4,363
Total current liabilities		109,962	97,513	103,023
Non-current liabilities				
Employee and volunteer benefits	10	51,439	54,214	58,549
Borrowings	11	53,612	51,864	48,091
Provisions	12	4,636	4,099	4,407
Total non-current liabilities		109,687	110,177	111,047
Total liabilities		219,649	207,690	214,070
Net assets		1,291,616	1,096,733	1,131,611
Equity				
Accumulated funds	13	765,042	761,426	711,561
Seismic resilience reserve	13	20,170	-	21,992
Capital infrastructure investment reserve	13	13,586	-	28,126
Crown funding injections	13	24,450	-	4,822
Revaluation reserves	13	468,368	335,307	365,110
Total equity		1,291,616	1,096,733	1,131,611

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 2021

	Note	2021 Actual \$000	2021 Budget \$000	2020 Actual \$000
Equity as at 1 July		1,131,611	1,084,013	1,060,309
Total comprehensive revenue and expense		140,377	12,720	71,302
COVID-19 Response and Recovery Fund injection		19,292	-	-
Repayable Crown funding injection fair value adjustment		336	-	-
Equity as at 30 June	13	1,291,616	1,096,733	1,131,611

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 2021

	Note	2021 Actual \$000	2021 Budget \$000	2020 Actual \$000
Cash flows from operating activities				
Receipts from levy		607,346	600,696	591,922
Receipts from other revenue		24,714	18,500	27,610
Interest received		1,184	1,578	2,449
Net GST received/(paid)		(151)	-	455
Payments to employees and volunteers		(366,798)	(388,162)	(368,353)
Payments to suppliers for goods and services		(148,550)	(163,744)	(158,079)
Net cash flow from operating activities		117,745	68,868	96,004
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		3,520	2,646	2,221
Purchase of property, plant and equipment		(94,956)	(98,003)	(86,968)
Purchase of intangible assets		(2,020)	(5,565)	(14,537)
Net cash flow from investing activities		(93,456)	(100,922)	(99,284)
Cash flows from financing activities				
Proceeds from Crown funding injection	11	19,089	-	-
COVID-19 Response and Recovery Fund injection	13	19,292	-	-
Repayments of Crown funding injection	11	(13,000)	(13,000)	(13,000)
Payments on finance leases		(1,084)	(1,084)	(1,014)
Interest paid		(283)	(286)	(355)
Net cash flow from financing activities		24,014	(14,370)	(14,369)
Net increase/(decrease) in cash and cash equivalents		48,303	(46,424)	(17,649)
Cash and cash equivalents at beginning of year		102,005	101,622	119,654
Cash and cash equivalents at the end of the year	5	150,308	55,198	102,005

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

	2021 Actual \$000	2020 Actual \$000
Surplus/(deficit)	36,753	26,509
Add/(subtract) non cash items		
Depreciation and amortisation expense	77,277	63,072
Interest amortisation	866	1,089
Donated assets	(349)	-
Total non cash items	77,794	64,161
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	1,057	1,907
Interest on finance leases	283	355
Total items classified as investing or financing activities	1,340	2,262
Add/(less) movements in working capital items		
Increase /(Decrease) in trade and other receivables	2,129	(3,102)
(Increase)/Decrease in prepayments	1,128	(1,323)
(Increase)/Decrease in trade and other payables	(1,013)	(808)
Increase /(Decrease) in employee and volunteer benefits	(4,692)	5,629
Increase /(Decrease) in provisions	4,306	2,676
Net movement in working capital items	1,858	3,072
Net cash inflow/(outflow) from operating activities	117,745	96,004

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 2021

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 2021 and were authorised for issue by the Board on 29 October 2021.

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

An amendment to PBE IPSAS 2 Statement of cash flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. Fire and Emergency does not intend to early adopt the amendment.

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 the requirements are similar to PBE IFRS 9.

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 were no 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.

Changes have been made to Note 7, Property, plant and equipment and Note 8, Intangibles. The Work in progress (WIP) column has been removed and movements in WIP are now shown in the relevant class of Property, plant and equipment or Intangibles. Movements were previously shown on a net basis and are now shown on a gross basis.

In Note 17, Financial instruments, trade and other receivables within categories of financial assets and liabilities has been restated to exclude items which are not financial instruments.

Small balances that have not been assessed essential to the reader have been consolidated into other like balances. Some adjustments to descriptions have also been made.

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 13 July 2020 as part of the 2020/21 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 some large estate donations.

	2021 Actual \$000	2020 Actual \$000
Non-exchange revenue		
Public good contributions	10,000	10,000
Good corporate citizen contributions	2,355	2,756
Donations	1,389	451
Total non-exchange other revenue	13,744	13,207
Exchange revenue		
Monitoring private fire alarms	1,463	1,404
Gain on disposal of property, plant and equipment	522	130
Insurance proceeds	490	156
Rental revenue	309	437
Deployment recovery	-	3,900
Miscellaneous revenue	8,197	8,522
Total exchange other revenue	10,981	14,549
Total other revenue	24,725	27,756

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.

	2021 Actual \$000	2020 Actual \$000
Salaries and wages	298,245	292,247
Employer contributions to superannuation schemes	24,406	24,824
ACC levies	3,045	2,536
Other employee and volunteer benefits expense	36,327	56,312
Total employee and volunteer benefits expense	362,023	375,919

Remuneration of employees

	2021 Actual	2020 Actual
Total remuneration paid or payable		
\$100,000-\$109,999	486	431
\$110,000-\$119,999	336	318
\$120,000-\$129,999	258	240
\$130,000-\$139,999	155	164
\$140,000-\$149,999	165	166
\$150,000-\$159,999	146	128
\$160,000-\$169,999	72	66
\$170,000-\$179,999	51	33
\$180,000-\$189,999	28	31
\$190,000-\$199,999	23	17
\$200,000-\$209,999	6	9
\$210,000-\$219,999	2	3
\$220,000-\$229,999	3	5
\$230,000-\$239,999	5	4
\$240,000-\$249,999	4	2
\$250,000-\$259,999	1	3
\$260,000-\$269,999	1	2
\$270,000-\$279,999	3	3
\$280,000-\$289,999	5	1
\$300,000-\$309,999	-	1
\$320,000-\$329,999	1	1
\$330,000-\$339,999	1	2
\$350,000-\$359,999	1	1
\$360,000-\$369,999	1	1
\$410,000-\$419,999	-	1
\$420,000-\$429,999	1	-
\$540,000-\$549,999	-	1
\$570,000-\$579,999	1	-
Total employees	1,756	1,634

Firefighter remuneration

Firefighters included in the remuneration information above were:

	2021 Actual	2020 Actual
Number of firefighters with remuneration over \$100,000	1,118	1,036
Firefighters as a percentage of total employees over \$100,000	64%	63%
Top firefighter remuneration range	259,999	299,999

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.

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 72 employees (2020: 73 employees) and 144 volunteers (2020: 130 volunteers) who received gratuities, costing a total of \$1.91 million (2020: \$2.30 million) and \$0.35 million (2020: \$0.33 million) respectively.

During the year, 14 employees were paid severances costing a total of \$0.91 million (2020: four employees, \$0.25 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, increasing to six items in 2022. There is no minimum funding requirement.

As at 31 March 2021, the scheme had a past service surplus of \$1.26 million or 2.2% of the liabilities (exclusive of Employer Superannuation Contribution Tax (2020: deficit of \$2.77 million or 4.1% 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 91 members at 31 March 2021. 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 straightline 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.

	2021 Actual \$000	2020 Actual \$000
Occupancy	26,173	24,351
Fleet	22,819	23,796
Computer maintenance and support	17,467	16,954
Clothing and other consumables	16,604	14,049
Professional fees and consultants	12,092	13,596
Communications	11,054	13,825
Travel	8,549	10,184
Publicity and advertising	6,942	6,083
Hire of aerial services	6,005	6,410
Repairs and maintenance	4,354	4,322
Insurance	3,923	3,008
Grants	3,367	3,463
Purchase of equipment < \$1,000	1,611	2,173
Loss on disposal of property, plant and equipment	1,579	2,038
Printing, stationery and postage	1,521	1,650
Research and development	1,130	1,617
Auditors – Audit New Zealand fees for statutory audit	244	228
Remuneration of Board	202	197
Auditors - Audit New Zealand fees for other services	15	20
Other audit fees for other services	-	51
Impairment of receivables	(13)	(182)
Other expenses	7,334	11,150
Total other expenses	152,972	158,983

Operating lease expense

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

	2021 Actual \$000	2020 Actual \$000
Occupancy – property leases	5,621	5,511
Occupancy – car park leases	156	163
Fleet – vehicle leases	4,371	4,597
Total operating lease payments	10,148	10,271

Remuneration of the Board and Committee members

		2021 Actual \$000	2020 Actual \$000
Hon. Paul Swain	Chair	64	64
Rebecca Keoghan	Deputy Chair	32	31
Te Arohanui Cook	Member and Remuneration Committee Chair	25	26
Malcolm Inglis	Member and Audit and Risk Committee Chair	28	28
Wendie Harvey	Member	28	28
Gwendoline Tepania-Palmer	Member (from September 2019)	25	20
Total Board remuneration		202	197
Peter Taylor	Independent member Audit and Risk Committee	6	3
Brian Monk	Independent member Finance and Investment Committee (to December 2019)	-	2
Total Board and Committee remuneration		208	202

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 (2020: \$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

	2021 Actual \$000	2020 Actual \$000
Cash on hand and at bank	90,308	57,005
Short-term deposits	60,000	45,000
Total cash and cash equivalents	150,308	102,005

No collateral or other securities are held by Fire and Emergency with respect to cash and deposits at the financial institutions. Fire and Emergency no longer maintains an unsecured bank overdraft facility (2020: \$0.25 million).

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

Sensitivity analysis

The weighted average effective interest rate for term deposits at 30 June 2021 was 0.41 percent (2020: 1.53 percent). As at 30 June 2021, if the interest rates increased/decreased by 25 basis points, the interest revenue for the year and accumulated funds would increase/decrease by \$0.38 million (2020: \$0.26 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; and
- one significant adverse event (e.g. earthquake, major fire, terrorist event) of \$15 million.

In addition to the minimum cash reserves, as at June 2021, \$33.76 million (2020: \$50.12 million) was ring-fenced to support the following reserves:

	Note	2021 Actual \$000	2020 Actual \$000
Seismic resilience reserve	13	20,170	21,992
Capital infrastructure investment reserve	13	13,586	28,126
Total reserves supported by cash and cash equivalents		33,756	50,118

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.

	2021 Actual \$000	2020 Actual \$000
Receivables under non-exchange transactions		
Levy receivables	125,386	125,904
Total receivables under non-exchange transactions	125,386	125,904
Receivables under exchange transactions		
Other receivables	4,156	5,773
Less: allowance for credit losses	(128)	(134)
Total receivables under exchange transactions	4,028	5,639
Total receivables	129,414	131,543

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 (2020: \$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 nonexchange 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	10–70 years	1–10%
Fire appliances	10–30 years	3–10%
Motor vehicles	4–20 years	5–25%
Communications equipment	5–10 years	10–20%
Computer equipment	4–10 years	10–25%
Operational equipment	4–12 years	8–25%
Non operational equipment	5–15 years	7–20%
Leasehold improvements	3–10 years	10–33%

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.

	Land	Buildings	Fire appliances	Motor vehicles	Communications equipment	Operational equipment	Non operational equipment	Computer equipment	Leasehold improvements	Total
Year ended 30 June 2021	\$000									
Cost or valuation	327,578	440,575	360,224	8,264	55,985	121,565	35,535	31,965	9,018	1,390,709
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	14,462	1,827	1,074,257
Acquisitions	3,629	51,577	22,403	389	2,474	8,896	218	7,293	-	96,879
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	25,141	9,028	1,542,881
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	16,775	959	1,202,451
Includes assets under construction	5	44,238	23,639	69	3,394	6,873	356	10,274	60	88,908
Includes finance leases	-	-	-	-	4,439	718	-	-	-	5,157

Year ended 30 June 2020	<i>Land</i>	<i>Buildings</i>	<i>Fire appliances</i>	<i>Motor vehicles</i>	<i>Communications equipment</i>	<i>Operational equipment</i>	<i>Non operational equipment</i>	<i>Computer equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
	\$000									
Cost or valuation	311,421	396,159	335,906	8,581	53,054	114,820	28,691	38,257	8,738	1,295,627
Accumulated depreciation	-	-	(165,046)	(3,692)	(20,303)	(63,350)	(16,888)	(14,530)	(6,167)	(289,976)
Net book value at beginning of year	311,421	396,159	170,860	4,889	32,751	51,470	11,803	23,727	2,571	1,005,651
Acquisitions	4,409	41,174	28,599	459	2,757	10,178	358	10,844	269	99,047
Disposals	(486)	(1,154)	(3,365)	(101)	(341)	(3,782)	(29)	(1,409)	-	(10,667)
Transfers	(2,063)	(6,041)	(916)	(675)	515	349	6,515	(15,727)	11	(18,032)
Revaluation movement	14,297	10,437	-	-	-	-	-	-	-	24,734
Depreciation expense	-	(20,189)	(11,317)	(1,109)	(5,123)	(8,578)	(2,648)	(3,667)	(1,024)	(53,655)
Accumulated depreciation reversed on disposal	-	130	2,998	58	-	2,787	23	694	-	6,690
Accumulated depreciation on transfers	-	-	395	35	-	-	-	-	-	430
Accumulated depreciation reversed on revaluation	-	20,059	-	-	-	-	-	-	-	20,059
Cost or valuation	327,578	440,575	360,224	8,264	55,985	121,565	35,535	31,965	9,018	1,390,709
Accumulated depreciation	-	-	(172,970)	(4,708)	(25,426)	(69,141)	(19,513)	(17,503)	(7,191)	(316,452)
Net book value at end of year	327,578	440,575	187,254	3,556	30,559	52,424	16,022	14,462	1,827	1,074,257
Includes assets under construction	358	39,924	22,138	92	4,835	10,593	415	9,092	102	87,549
Includes finance leases	-	-	-	-	5,211	1,408	-	-	-	6,619

Critical accounting estimated 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 2021.

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 500 properties (2020: 506) in its property portfolio at year end, of which 166 (2020: 160) were inspected during the year (representing 33 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 address any properties below 67 percent, which is based on a range of structural engineering work and risk assessment. The programme of seismic strengthening works 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.

Fire and Emergency has reassessed the estimated useful life for fire appliances this year. In late 2020 it was announced by the Government that the public sector was to be carbon neutral by 2025. Useful lives of selected fire appliances have been shortened by up to eight years given the potential need to transition to a lower carbon emission fleet at an increased rate. The change in useful lives has increased depreciation expense by \$8.15 million this year.

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 straightline basis at rates estimated to write off the cost of an asset, less any residual value, over its useful life.

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

Computer software internally generated	4–10 years	10–25%
Computer software purchased	4–10 years	10–25%
SITE	4–10 years	10–25%

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 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. Impairment losses and reversals of impairment on intangible assets are recognised in the surplus or deficit.

Year ended 30 June 2021	Computer software (internally generated) \$000	Computer software (purchased) \$000	Shared Information Technology Environment (SITE) \$000	Total \$000
Cost	26,774	42,889	19,874	89,537
Accumulated amortisation	(16,697)	(23,078)	(18,420)	(58,195)
Net book value at beginning of year	10,077	19,811	1,454	31,342
Acquisitions	1,879	85	586	2,550
Disposals	(13)	(19)	-	(32)
Transfers	9	(382)	588	215
Amortisation expense	(3,474)	(5,623)	(220)	(9,317)
Accumulated amortisation reversed on disposal	-	-	-	-
Cost	28,649	42,573	21,048	92,270
Accumulated amortisation	(20,171)	(28,701)	(18,640)	(67,512)
Net book value at end of year	8,478	13,872	2,408	24,758
Includes assets under construction	2,673	682	1,344	4,699

Year ended 30 June 2020	Computer software (internally generated) \$000	Computer software (purchased) \$000	Shared Information Technology Environment (SITE) \$000	Total \$000
Cost	18,549	32,058	19,009	69,616
Accumulated amortisation	(12,200)	(18,261)	(18,320)	(48,781)
Net book value at beginning of year	6,349	13,797	689	20,835
Acquisitions	2,117	1,444	1,175	4,736
Disposals	(25)	(4)	(391)	(420)
Transfers	6,132	9,391	81	15,604
Amortisation expense	(4,496)	(4,821)	(101)	(9,418)
Accumulated amortisation reversed on disposal	-	4	1	5
Cost	26,774	42,889	19,874	89,537
Accumulated amortisation	(16,697)	(23,078)	(18,420)	(58,195)
Net book value at end of year	10,077	19,811	1,454	31,342
Includes assets under construction	807	998	1,273	3,078

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.

	2021 Actual \$000	2020 Actual \$000
Payables under exchange transactions		
Trade payables	14,428	15,327
Accrued expenses	23,091	20,648
Total payables under exchange transactions	37,519	35,975
Payables under non exchange transactions		
Accident compensation	368	417
Liabilities subject to condition	-	339
Levy in advance	2,531	-
Income in advance	193	195
Taxation payables (GST, PAYE, FBT)	6,715	9,970
Total payables under non exchange transactions	9,807	10,921
Total payables	47,326	46,896

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 longterm increase in remuneration for employees. Movements in the actuarial valuations are recognised in the Statement of financial performance.

	2021 Actual \$000	2020 Actual \$000
Current employee and volunteer benefits		
Accrued salaries and wages	1,501	373
Annual leave	29,942	31,157
Long service leave and gratuities	9,325	6,820
Total current employee and volunteer benefits	40,768	38,350
Non-current employee and volunteer benefits		
Long service leave and gratuities	51,439	58,549
Total non-current employee and volunteer benefits	51,439	58,549
Total employee and volunteer benefits	92,207	96,899

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 0.38 percent to 4.30 percent (2020: -0.07 percent to 4.30 percent) and salary inflation factor of 2.5 percent (2020: 2.5 percent) was used.

If the discount rate was 1 percent lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$6.36 million higher (2020: \$7.84 million higher).

If the salary inflation factor was 1 percent higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated \$6.64 million higher (2020: \$5.31 million higher).

The valuations of long service leave and gratuities as at 30 June 2021 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.

	2021 Actual \$000	2020 Actual \$000
Current borrowings		
Repayable Crown funding injection	12,281	12,330
Finance leases	1,147	1,084
Total current borrowings	13,428	13,414
Non-current borrowings		
Repayable Crown funding injection	50,917	44,249
Finance leases	2,695	3,842
Total non-current borrowings	53,612	48,091
Total borrowings	67,040	61,505

Repayable Crown funding injection

The Crown has approved funding of up to \$112.0 million to help fund the transition to a new unified national fire service. Drawdown is spread over four years and can only be used for the transition programme. There is no obligation on the Crown to pay the full amount applied for and so a lesser amount may be released if deemed appropriate.

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 2021 was \$63.20 million (2020: \$56.58 million) as set out below. The carrying value is based on cash flows discounted using the spot discount rate.

	2021 Actual \$000	2020 Actual \$000
Face value at the beginning of the year	58,850	71,850
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	64,939	58,850
Deduct fair value adjustment at initial recognition	(5,158)	(4,822)
Accumulated interest amortisation	3,417	2,551
Carrying value at the end of year	63,198	56,579

Analysis of finance leases

Year ended 30 June 2021	Radio equipment \$000	Protective gear \$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 two years	2,750	64	2,814
Later than two years and not 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 two years	2,634	61	2,695
Later than two years and not later than five years	-	-	-
Total present value of minimum lease payments	3,714	128	3,842

Year ended 30 June 2020	Radio equipment \$000	Protective gear \$000	Total \$000
Minimum lease payments payable			
Not later than one year	1,298	86	1,384
Later than one year and not later than two years	1,298	75	1,373
Later than two years and not later than five years	2,750	64	2,814
Total minimum lease payments	5,346	225	5,571
Future finance charges	(620)	(25)	(645)
Present value of minimum lease payments	4,726	200	4,926
Present value of minimum lease payments payable			
Not later than one year	1,012	72	1,084
Later than one year and not later than two years	1,080	67	1,147
Later than two years and not later than five years	2,634	61	2,695
Total present value of minimum lease payments	4,726	200	4,926

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.

Restructuring provisions

A provision for restructuring 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 2021	ACC Partnership Programme \$000	Restructuring 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

Year ended 30 June 2020	ACC Partnership Programme \$000	Restructuring provision \$000	Lease make-good \$000	PFAS \$000	Loss of medical scheme \$000	Total \$000
Opening balance	3,699	-	2,225	-	170	6,094
Additional provisions made	441	2,209	25	-	1	2,676
Closing balance	4,140	2,209	2,250	-	171	8,770
Current portion	1,983	2,209	-	-	171	4,363
Non current portion	2,157	-	2,250	-	-	4,407

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). Fire and Emergency has approved a programme of works (either strengthening or replacement) based on a range of structural engineering work and risk assessment. The Seismic Resilience Reserve was established to assist Fire and Emergency to fund the seismic strengthening programme.

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	2021 Actual \$000	2020 Actual \$000
Accumulated funds			
Balance at beginning of year		711,561	666,959
Surplus for the year		36,753	26,509
Transfer (to)/from Capital Infrastructure Reserve		14,540	15,761
Transfer (to)/from Seismic Resilience Reserve		1,822	(806)
Transfers from disposal of land and buildings		366	3,138
Balance at 30 June		765,042	711,561
Seismic Resilience Reserve			
Balance at beginning of year		21,992	21,186
Transfer from/(to) accumulated funds		(1,822)	806
Balance at 30 June		20,170	21,992
Capital Infrastructure Investment Reserve			
Balance at beginning of year		28,126	43,887
Transfer from/(to) accumulated funds		(14,540)	(15,761)
Balance at 30 June		13,586	28,126
Crown funding injections			
Balance at beginning of year		4,822	4,822
COVID-19 Response and Recovery Fund		19,292	-
Repayable Crown funding injection fair value adjustment		336	-
Balance at 30 June		24,450	4,822
Crown funding injections consists of:			
COVID-19 Response and Recovery Fund		19,292	-
Repayable Crown funding injection fair value adjustment	11	5,158	4,822
Total		24,450	4,822
Revaluation reserves			
Balance at beginning year		365,110	323,455
Revaluations		103,624	44,793
Transfer to accumulated funds on disposal		(366)	(3,138)
Balance at 30 June		468,368	365,110
Property revaluation reserves for each asset class consist of:			
Land		257,466	173,736
Buildings		210,902	191,374
Total		468,368	365,110
Total equity		1,291,616	1,131,611

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 \$19.29 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.

	2021 Actual \$000	2020 Actual \$000
Buildings	15,823	14,144
Fire appliances	8,511	19,704
Computer equipment	1,638	909
Operational equipment	2,298	1,689
Computer software	1,134	107
Motor vehicles	66	13
Total capital commitments	29,470	36,566

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

	2021 Actual \$000	2020 Actual \$000
Not later than one year	7,230	9,649
Later than one year and not later than five years	9,272	11,370
Later than five years	6,158	6,577
Total non cancellable operating leases as lessee	22,660	27,596

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 2021 there were 65 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.

Contingent assets

Historical claims for cost recovery

In accordance with section 43 of the former Forest and Rural Fires Act 1977, there are a number of claims with legal advisors for cost recovery at year end. Possible recoveries have been estimated to be \$1.56 million (2020: \$1.0 million).

Non-compliant garments

Fire and Emergency is currently in negotiations with a supplier over garments supplied that were found to be non-compliant with required safety standards. Due to negotiations still in progress and the commercial sensitivity of the matter, an estimate of the contingent assets has not been disclosed.

Fire appliances

Fire and Emergency has a dispute with a fire appliance engineer regarding responsibility for cracks/defects on MAN chassis Type 3 appliances. Fire and Emergency has a potential claim against the engineer for costs to remedy the cracks/defects on the Type 3 appliances. The quantum of the costs to remedy the cracks/defects has not yet been confirmed.

The engineer has a counter-claim for the costs incurred to date to remedy current identified cracks/defects. Correspondence with the engineer is currently occurring regarding the issues. No formal proceedings have been filed.

17. Financial instruments

	2021 Actual \$000	2020 Actual \$000
Financial assets measured at amortisation cost		
Cash and cash equivalents	150,308	102,005
Exchange trade and other receivables ¹	4,028	5,639
Total financial assets measured at amortised cost	154,336	107,644
Financial liabilities measured at amortised cost		
Exchange trade and other payables	37,519	35,975
Borrowings – Crown injection payable	63,198	56,579
Borrowings – Finance leases	3,842	4,926
Total financial liabilities measured at amortised cost	104,559	97,480

¹ 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 (2020: one contract, \$0.10 million).

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.

2021	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	1-5 years \$000
Exchange trade and other payables	37,519	37,519	37,519	-	-
Borrowings – Crown injection payable	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

2020	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	1-5 years \$000
Exchange trade and other payables	35,974	35,884	35,884	-	-
Borrowings – Crown injection payable	56,579	58,849	-	13,000	45,849
Borrowings – Finance leases	4,926	5,570	692	692	4,186
Total	97,479	100,303	36,576	13,692	50,035

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

	2021 Actual \$000	2020 Actual \$000
Board members		
Remuneration	202	197
Full time equivalent members	1.0	1.0
Executive Leadership Team		
Remuneration	2,385	2,669
Full time equivalent members	6.0	7.0
Service Delivery Leadership Team		
Remuneration	2,379	2,283
Full time equivalent members	9.0	9.0
Total key management personnel compensation	4,966	5,149
Total full time equivalent personnel	16.0	17.0

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 \$5.50 million (2020: \$5.97 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

There have been no 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

Other revenue was \$6.23 million higher than budget. The variances include \$2.67 million of settlements received for legacy fire recoveries, cost recoveries of \$1.79 million for rural fires which were agreed after the budget was set, and \$1.14 million of donations and contributions received above budget.

Employee and volunteer benefit expense was \$24.62 million lower than budget. Items that contribute to the variance include:

- the new Service Delivery District unified structure delayed due to restructuring consultation processes being extended past initial time frames
- gratuities liability valuation decrease due to increasing discount rates. The corresponding decrease was shown in the employee and volunteer benefit expense
- saving plans implemented during the year to offset the anticipated impacts of COVID-19 on revenue.

Depreciation and amortisation expense was \$12.78 million higher than budget. The useful lives of some fire appliances were adjusted 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, resulting in accelerated depreciation of \$8.15 million this year. Increases in asset values from the prior year revaluation and asset additions account for the remaining variance.

Other expenses were \$12.69 million lower than budget. The decrease was predominantly due to saving plans implemented during the year to offset the expected COVID-19 impacts on revenue. Large savings were made in information and communications technology and travel.

Statement of other comprehensive revenue and expenses

Gains on revaluation of land and buildings were \$97.62 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. The valuation includes a large increase in land value in major cities due to demand and zoning changes for some properties.

Statement of financial position

Cash and cash equivalents were \$95.11 million higher than budget. Reasons for the variance are as follows:

- Cash flows from operating activities were \$48.88 million higher than budget due to higher revenue and lower expenditure, as explained above in the Statement of financial performance explanations.
- Cash flows from financing activities were \$38.39 million higher than budget. COVID-19 Response and Recovery Fund injection of \$19.29 million was received during the year and was not anticipated in the budget, which was approved early in the onset of COVID-19. Crown funding injection borrowing received of \$19.09 million that had been expected to be drawn down on in the previous financial year but was delayed due to COVID-19.
- There was a reduction in investing activities of \$7.47 million due to delays in capital spending.

Property, plant and equipment are \$120.96 million higher than budget. \$97.62 million of the variance is due to the revaluation of land and buildings being higher than budget. The remaining variance is due to differences in depreciation expense, capital additions and estimated opening balance. Difference in depreciation expense is explained above in the Statement of financial performance explanations.

Intangible assets are \$9.03 million lower than budget. The variance is due to higher amortisation caused by a split of projects between intangibles and property, plant and equipment, and lower capital purchases than planned.

Current provisions are \$6.44 million higher than budget, due to provisions for restructuring and PFAS. Restructuring mainly related to the Service Delivery District unified restructure was planned to have been completed by year end and the PFAS provision was not anticipated at the time the budget was set.

Total equity is \$194.88 million higher than budget. The variance is because:

- total comprehensive revenue and expense was \$127.66 million higher than budget
- \$47.60 million difference is actual opening balance compared to the budgeted opening balance. Difference is due to the budget being set before the end of the prior financial year, and includes movements from the prior year land and buildings revaluation
- COVID-19 Response and Recovery Fund injection received of \$19.29 million was not confirmed at the time the budget was set.

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. In August and September 2020 and February and March 2021, the Auckland region moved into Alert Levels 3 and 2 and other parts of the country moved into Alert level 2. Towards the end of June 2021, the Wellington region moved into Alert Level 2 for one week.

Subsequent to balance date all of New Zealand moved to alert level 4 in August 2021. As at October 2021 various alert levels remain.

Fire and Emergency provides essential services to New Zealanders and continued to do so throughout all COVID-19 alert levels. 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.

Governance

Te mana whakahaere



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 2020/21 year were:



Hon. Paul Swain, QSO (Chair)

April 2016 – 30 June 2021

Paul was initially appointed as the Board's Chair in April 2016 for a three-year term after leading the independent review of the New Zealand Fire Service in 2012, which resulted in a call for reform. He was reappointed for a further two-year term which concluded in June 2021.

His parliamentary career spanned 18 years, during which time he held several ministerial portfolios, including State-Owned Enterprises, Corrections and Immigration. He was also a negotiator in Waitangi settlements and Greater Wellington Regional councillor.

Paul was made a Companion of the Queen's Service Order (QSO) in 2009.

Organisational committees:

- Member – Audit and Risk Committee
- Member – Remuneration Committee.

Declaration of interests:

- Chair – New Zealand Utilities Advisory Group
- Principal – Paul Swain Consulting
- Trustee – Hutt Mana Charitable Trust
- Shareholder – Hutt and City Taxis.



Rebecca Keoghan, MNZM (Deputy Chair)

June 2019 – present

Rebecca was appointed Deputy Chair of the Board in June 2019 and was appointed Chair of the Board on 1 July 2021. 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 – Remuneration Committee
- Member – Safety, Health and Wellbeing Committee.

Declaration of interests:

- Director – Keoghan Farm Limited
- Director – Gravity Dance Studio
- Chair – Tai Poutini Polytechnic
- Member – Judicial Control Authority
- Trustee - Glenfiddich Trust
- Deputy Chair - Timaru District Holdings 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, Centralines, Aurora Energy and Eastland Group. Wendie has extensive experience in state sector governance, organisational change, employment relations and risk management.

Organisational committees:

- Chair – Remuneration Committee
- Chair – Safety, Health and Wellbeing Committee.

Declaration of interests:

- Director – Excellence in Business Solutions Limited
- Commissioner – New Zealand Gambling Commission
- Director – Centralines Limited
- Director – Electrical Training Company Limited
- Director – Hawke’s Bay Airport Limited
- Director – Aurora Energy Limited
- Chair – Hawke’s Bay Airport Construction Limited
- Director – Eastland Group Limited.



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.

Organisational committees:

- In attendance – Remuneration Committee.

Declaration of interests:

- Chair – Ngāti Hine Health Trust, Kawakawa
- Member – Lottery Waikato Community Committee
- Director – Hauora Whānui Limited
- Chair - Kotui Hauora Northern Partnership Board
- Member - Toitu Te Waiora (Workforce Development Council).



Malcolm Inglis

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
- In attendance – Remuneration Committee.

Declaration of interests:

- Volunteer – Whanganui LandSAR Group
- Director/Shareholder – Inglis and Broughton Limited.



Te Arohanui Cook

April 2016 – June 2021

Te Aroha was first appointed to the Board in April 2016 for a three-year term, bringing significant engagement with rural fire at both an operational level and through her involvement in rural fire training. Te Aroha was reappointed for a further term in July 2018. Her term concluded in June 2021.

Organisational committees:

- Member – Audit and Risk Committee
- Member – Remuneration Committee
- Member– Safety, Health and Wellbeing Committee.

Declaration of interests:

- Director/Shareholder – Phoenix Ventures Waipukurau Ltd
- Regulatory Service Manager – Westland District Council.

Board and committee meeting attendance

Board member	Board	Audit and Risk Committee	Remuneration Committee	Safety, Health and Wellbeing Committee
Paul Swain	10	5	4	4
Rebecca Keoghan	10	0	4	3
Te Arohanui Cook	10	4	0	4
Wendie Harvey	10	0	4	3
Malcolm Inglis	10	5	0	1
Gwen Tepania-Palmer	8	0	0	0
Peter Taylor	0	5	0	0

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 above.

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 Te Aroha Cook, Paul Swain and an independent member, Peter Taylor.

Remuneration Committee

The Remuneration Committee supports the Board in meeting its responsibilities for recruitment, remuneration and performance-setting for the Chief Executive. The Committee was chaired by Wendie Harvey and members were Rebecca Keoghan, Paul Swain and Te Aroha Cook.

Safety, Health and Wellbeing Committee

The Safety, Health and Wellbeing Committee helped the Board meet its responsibilities with respect to the safety, health and wellbeing requirements of the Health and Safety at Work Act 2015. The Committee was chaired by Wendie Harvey and members were Te Aroha Cook and Rebecca Keoghan. In March, the Board, at the recommendation of the Committee, resolved to elevate Safety, Health and Wellbeing reporting to the full Board. The Committee held its final meeting in April 2021.

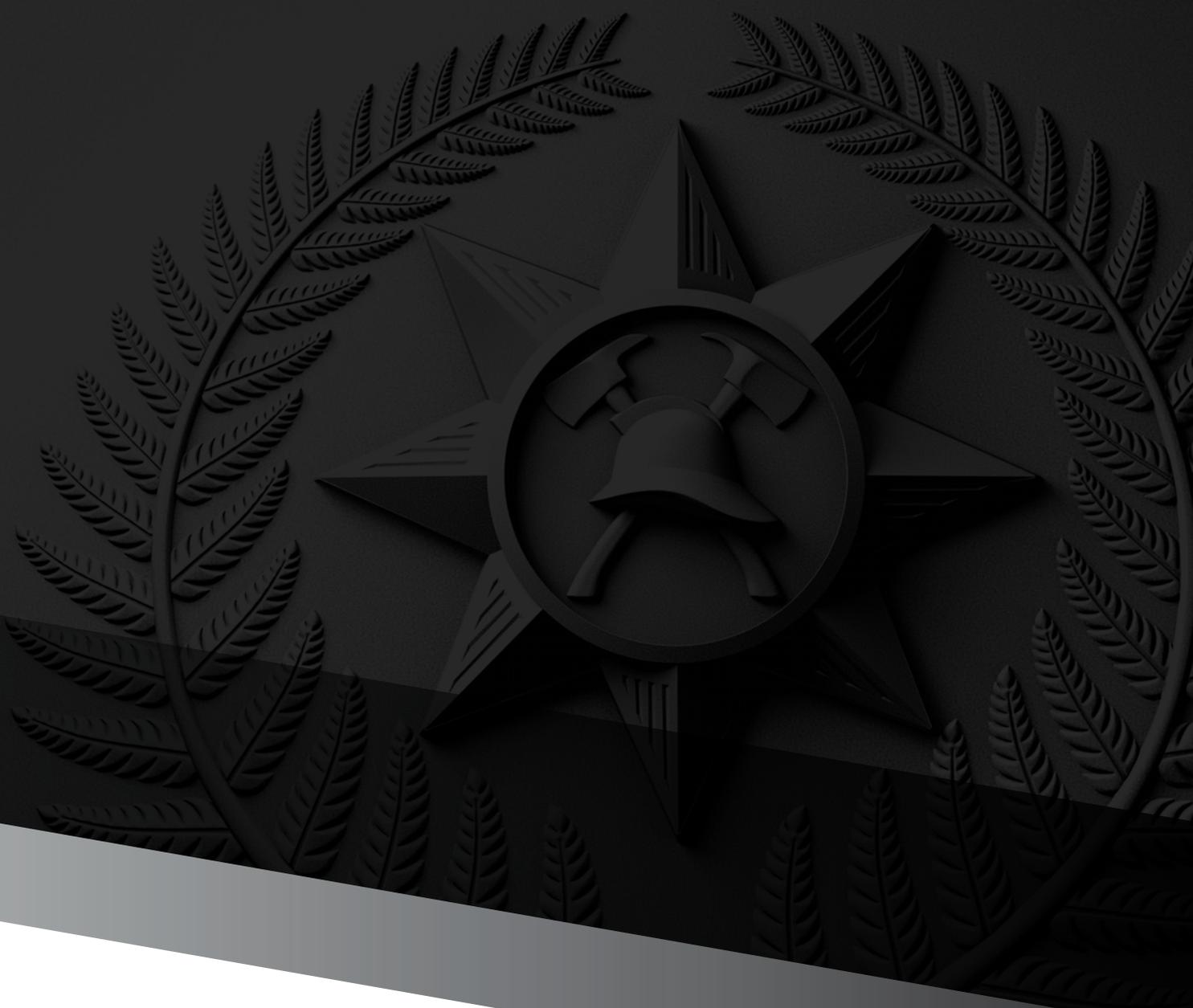
Remuneration of the Board and Committee members

Full details of Board and Committee members' remuneration are set out in Note 4 (page 89) of the Notes to the financial statements.

Conflicts of interest

All Board members must disclose any conflicts of interest.

All interests are outlined on pages 116-117.



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