

Statement of Performance Expectations

Te Tauākī o ngā Taumata Mahi me Tutuki

2022/23

Amended March 2023





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Update of 2022/23 Statement of Performance Expectations

Whakahōutanga o te Tauākī o ngā Taumata Mahi me Tutuki 2022/23

This document is an update of Fire and Emergency New Zealand's 2022/23 Statement of Performance Expectations. We have revised the original version to reflect the impacts of industrial action by the New Zealand Professional Firefighters' Union (NZPFU) over the first six months of the 2022/23 financial year and eventual settlement of the Professional Firefighters Collective Employment Agreement.

Fire and Emergency started bargaining of the Professional Firefighters Collective Employment Agreement with the NZPFU in June 2021. Bargaining continued through to June 2022, at which point the NZPFU instigated industrial action. As part of the industrial action in support of their bargaining claims, NZPFU members refused to carry out any non-operational duties for the first six months of 2022/23. This resulted in missing incident response data which we will not be able to replace or replicate. Initially, industrial action comprised partial strike action in which NZPFU members carried out emergency response activity only, but in August 2022 this escalated to full withdrawal of labour for specified periods. The parties reached agreement on 6 December 2022.

The impacts of the NZPFU industrial action and settlement on the original 2022/23 Statement of Performance Expectations have been:

- 1. Non-recording of incident response data for the six-month period from June 2022 to December 2022 affecting some performance targets. Adjustments to performance targets are set out in the section Our reportable outputs.

- 2. The settlement has increased costs, which has created forecast operating deficits. We will need a review of levy rates to move Fire and Emergency back to operating surpluses. In the updated Financial Statements, we have assumed that an increase in levy rates will be approved and implemented by 1 July 2024, which will generate an operating surplus for 2024/25 and future years. We provide a detailed explanation of the increase in costs resulting from the settlement and how this affects the financial position of Fire and Emergency in the Financial overview.

Ratification of the Professional Firefighters Collective Employment Agreement is a welcome and significant step forward which supports our firefighters and will help Fire and Emergency to continue to achieve its purpose of protecting and preserving lives, property and the environment.



Rebecca Keoghan
Chair



Ruth Dyson
Deputy Chair

2 March 2023

Foreword

He tīmatanga kōrero

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

It sets out how we intend to deliver our core services, our priorities for the year ahead and how our progress and performance will be measured for the year to 30 June 2023.

It was developed in alignment with our Statement of Intent 2020–2024, our 10-Year Plan 2020–2030 and our National Strategy 2019–2045. Together, these set our strategic focus and direction, lay out our plans, and guide our investments and mahi for the short, medium and long term.

When reflecting on our priorities for the coming year, it reinforced that it's really all about people – our people, those we work alongside, and the individuals that make up the communities we serve around Aotearoa. As a fire and emergency service, we are privileged to be an integral and longstanding part of these communities right across the motu, and we have an ongoing commitment to supporting them and keeping them safe in their time of need.

Bringing together over 40 different organisations with different histories, values and ways of working was never going to be an easy, nor quick task. We have set strong foundations and built a structure to enable true unification. Now we are continuing our growth by sharpening our focus on developing and driving a shared, values-based culture that reflects a contemporary emergency services organisation through the way we think, talk and act.

We will continue to make progress to ensure that all our people have a work environment in which they feel valued, respected, and included. Refining processes and reporting as we embed the permanent Behaviour and Conduct Office will allow us to better support those who experience unwanted behaviour as well as enable us to be more proactive and targeted with education and training.

We are committed to our people going home safe and well each day which makes managing and reducing health and safety risks to personnel another absolute priority. We'll be further developing and strengthening our policies, processes and tools to achieve this, with decisions informed by industry leading research. Enhanced use of data will also see us gain greater insight into our service delivery performance and helping us better understand how well we are serving communities.

And turning to those communities we serve, risk reduction and community readiness remains a focus as does ensuring local voices are incorporated into our planning and decision making. This aligns with our aspiration for services that are nationally enabled and regionally coordinated, but locally delivered. We will also continue our mahi to strengthen our cultural capability and relationships with Māori as key partners in our operations. Continuing to work collaboratively and effectively with our sector partners and other stakeholders is also important as we come together to achieve shared goals.

Finally, we acknowledge that our operating environment will continue to evolve over the coming years potentially in both somewhat predictable and unexpected ways. Our planned activities for the next 12 months, and beyond, position us well to respond and adapt as one strong, unified organisation supporting communities and protecting this beautiful place we call Aotearoa New Zealand.



Rebecca Keoghan
Board Chair



Malcolm Inglis
Deputy Chair

23 June 2022

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Our strategic direction

Tō mātou aronga



Who we are and what we do

Ko wai mātou me ngā mahi ā tari

We are Fire and Emergency New Zealand, a team of close to 15,000 dedicated people providing Aotearoa's national fire and emergency service.

Established in 2017, we brought over 40 fire services together into one organisation. Five years on, we are well into our unification journey, proudly united behind the purpose, vision and values we share.

With 636¹ fire station sites across the motu, we are honoured to be an integral part of communities, keeping them safe and supporting them to protect what matters – lives, property and the environment. We work with communities across the 'four Rs' of reduction, readiness, response and recovery to help them prepare for, respond to and recover well from emergencies.

We are there for people when they need us and are consistently voted one of New Zealand's most recognised and trusted organisations. We continuously strive to earn, and prove ourselves worthy of, that trust.

Our changing operational environment

Since Fire and Emergency was established, the number of incidents we respond to has increased, and our operating environment has continued to change. Our climate is warming, so we are responding to more severe weather events. Warmer, drier conditions are also likely to increase both the frequency and severity of wildfires. These changes mean we must work well with others across the emergency management sector, as many of the incidents we attend are complex and require a multi-agency approach.

Our population is growing, ageing and diversifying, but also moving – towards main centres in some parts of the country and away from them in others.

Technology continues to evolve at pace, providing opportunities to deliver our services more efficiently.

We need to continue our mahi alongside communities to understand how changes in our environment are impacting them and how we can best provide support. In some cases, this may mean adapting the way we work and what we focus on, to meet communities' evolving needs now, and into the future.

Working with Māori as tangata whenua

Māori are tangata whenua of Aotearoa and have a special role as kaitiaki (guardians) of the environment. Fire and Emergency supports this and recognises that Māori are significant partners in fire prevention; building community resilience; and informing emergency response to contribute to a safer environment.

The importance we place on building and maintaining strong relationships enables us to design and deliver services tailored to community needs and work more closely with Māori before, during and after an emergency. This ensures better outcomes not only for Māori but for the wider community.

Our statutory remit

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

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

¹ 'Fire station sites' excludes non-operational workplaces including rural equipment depots, rural weather stations, regional district offices, National Training Centre and National Headquarters.

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 regulatory compliance 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 strategic context

Te horopaki ā-rautaki

Our National Strategy (our Strategy) 2019–2045 sets out our long-term strategic direction, including our vision, purpose, outcomes and strategic priorities.

To give effect to our Strategy, we developed a 10-Year Plan which details the work we will deliver over the next decade. This then informs our medium-term strategy, which is described in our four-year Statement of Intent (SOI).

This Statement of Performance Expectations (SPE) is underpinned and informed by our Strategy, 10-year Plan and SOI, and it outlines our priorities for the coming year.

Collectively, these reflect our ongoing commitment to building a unified organisation that delivers efficient and effective fire and emergency services across Aotearoa for many years to come.



Our National Strategy 2019–2045

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



Our 10-Year Plan 2020–2030

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

Our SOI is guided by our 10-Year Plan and describes our intent over the four-year period to 2024. It outlines how we will continue to build a unified organisation that works with communities to help reduce risk and prepare for, respond to and recover quickly from emergencies. As the SOI needs to be refreshed every three years, this is the last SPE that aligns to this SOI, as we will update the SOI ahead of the 2023/24 financial year.

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 in how we deliver our services.

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 organisational enablers: eight key areas of change

Our eight key areas of change are the organisational enablers that show how we are building a unified organisation to better serve our communities. These are an important part of our Strategy and are also 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.



Transparency of investment, cost, and value

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

Risk reduction

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

Our performance measurement framework

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

Our desired Outcomes

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

Our current Impacts

Intermediate steps to achieving our outcomes

Our vision: Stronger communities protecting what matters

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

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



Growing our people



Intelligence-led, evidence-based decisions



Keeping pace with change

Our resources
Enablers

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



People and culture



Systems and processes



Assets and infrastructure

Our intentions for the coming year

Ngā takune mō
te tau e heke
mai ana



Our key initiatives for the coming year are aligned to our strategic priorities and are explained in more detail on the following pages.



Building resilient communities

To build resilient communities, we'll continue our focus on reducing the risk of fire. We'll work with a wide range of communities to develop education programmes that work for them, and deliver them through local channels. To ensure we can always be there when we are needed, we'll continue to develop our response capability in specific areas, taking a risk-based approach. We have programmes of work to continuously improve how we deliver services and will be reviewing how we measure and report on how we deliver our services.



Collaboration, partnerships and influence

Working with others is an important part of what we do and we'll improve how we incorporate local voices into our planning to ensure planning is locally led, regionally coordinated and nationally enabled. We will build strong and effective relationships with sector partners and continue to build strong relationships with iwi and Māori.



Growing our people

Our people are at the heart of our organisation and we will continue to build a safe and positive workplace culture where all our people feel valued, respected and included. We are making improvements to ensure we keep our frontline people safe and prioritise our approaches to addressing identified critical safety, health and wellbeing risks.



Intelligence-led, evidence-based decisions

We are developing a national planning and resourcing framework, to create a picture of our current and future resourcing requirements, including service levels to inform capability, capital investment and workforce planning. This will be informed by continuing to review how we deliver our services, our national research and evaluation programmes, and improvements to our portfolio, programme and project management. We will continue to work with the Department of Internal Affairs to support the review of our levy funding arrangements.



Keeping pace with change

Change is a constant factor in our work from managing the ongoing impacts of COVID-19, to ensuring we are building a workplace suitable for our digital world. We are working to reduce our emissions as part of our commitment to environmental sustainability and ensuring we have fit-for-purpose assets to support our work.

Building resilient communities

Te hanga hāpori aumāngea

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



Continuing to deliver frontline services to the public and improve response capability

Responding in our communities

Responding to emergencies is what we are known for. People across the motu rely on us to be there in their time of need. We respond to a wide variety of emergencies including fire (in the built and natural environments), hazardous substances, medical emergencies, motor vehicle accidents, rescues, severe weather-related events and natural disasters. Climate change is impacting the type and severity of incidents we attend, so it's vital we continue to increase our response capability and learn from major incidents that have occurred in New Zealand and internationally.

We are also responsible for providing specialist response capability including:

- incident management and coordination centre capability during large incidents particularly large fires
- for hazardous substance incidents
- for bulk flammable liquid incidents
- for medical response incidents
- urban search and rescue
- performing other rescues.

In addition, Fire and Emergency provides specialist response capability to international partners when requested. We deploy personnel to assist with wildfire and other emergency responses internationally, and the breadth and range of our USAR capability means we are able to provide comprehensive support, alongside the Ministry of Foreign Affairs and Trade, Ministry of Health and New Zealand Defence Force, as part of a New Zealand Joint Response Team.

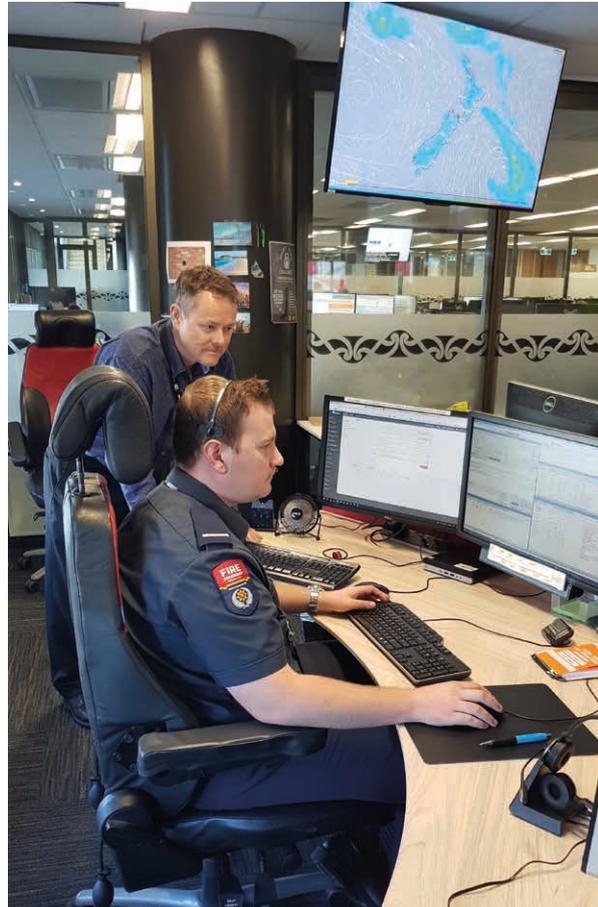
In 2022/23, we will:

- continue to develop our capability of working safely in water through our dedicated programme
- develop training material and build readiness and response capability to deal with bulk flammable liquids incidents
- review our line rescue capability
- continue to progress the roll-out of the USAR First Responder Programme, which seeks to develop community skills to respond to sudden onset disasters in easily isolated communities. This is aligned with the wider International Search and Rescue Advisory Group (INSARAG) strategy of 'localised response'
- maintain our USAR team's international United Nations INSARAG classification. The annual reclassification exercise² was postponed as a result of the NZPFU industrial action and has been rescheduled to May 2024. This is reflected in our performance measure on page 38.

Reviewing our Service Delivery Guidelines

Our Service Delivery Guidelines (SDGs) are the standards against which we measure how well we are delivering our services across Aotearoa. They cover, for example, the standards in which we respond to incidents, such as structure fires or motor vehicle accidents and how well we carry out some of our risk reduction activities.

This year, we will complete a project to look at how we can use qualitative and quantitative data to further develop our SDGs in a more meaningful and useful way, helping us to better understand how well we are serving communities. The project will make recommendations to improve the relevance of our SDGs and promote continual improvement, as our operating environment continues to change.



² The annual reclassification exercise has previously been postponed due to COVID-19 and we aim to maintain the classification, even if the exercise isn't run.

Increasing risk awareness in our communities

Improving fire safety in our communities

Promoting fire safety in communities is critical to saving lives and property. We use various tools and methods to do this mahi, such as:

- undertaking home fire safety visits to provide key fire safety advice and check or install smoke alarms
- talking to people about how to manage fire risk
- providing online tools to assist with tasks such as creating an escape plan
- making public safety campaigns available in multiple languages.

These tools help raise community awareness and action, reduce risk and improve outcomes.

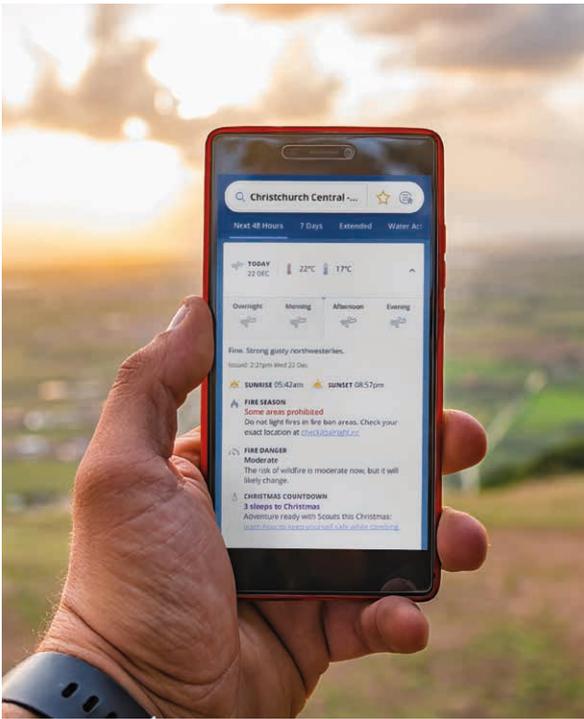


Over the 2022/23 year, we will:

- expand our online presence through fire safety campaigns on social media platforms, such as TikTok, to reach a wider range of communities
- update our Firewise and Fire Awareness and Intervention Programmes to ensure they continue to meet the needs of communities
- develop and deliver specific Fire Safety Education Programmes through Māori media where appropriate
- continue to partner with agencies to prepare communities for emergency events, such as the MetService, National Emergency Management Agency (NEMA) and local Civil Defence Emergency Management (CDEM) groups.

Under the Act and its associated Regulations, we also have significant regulatory responsibilities to follow up cases of non-compliance. Our Regulatory Compliance Strategy 2021–2023 sets out the work we need to do to help us use our powers fairly and consistently. This year, we will:

- build our capability and capacity in regulatory compliance with ongoing education and training
- develop intelligence and evidence that support our decision-making and delivery of an effective regulatory compliance system
- communicate effectively to help people understand their obligations, resulting in increased voluntary and self-managed compliance
- strengthen our engagement with sector partners to develop a shared understanding of how we can work together to achieve safer communities.



Strengthening our wildfire management

Wildfire seasons are starting earlier and lasting longer, creating more complex fires and multiple events at the same time. We are continuing to focus on developing initiatives, such as tools and educational campaigns, to promote wildfire risk reduction and help keep communities safe during the wildfire season.

This year, we will continue to work alongside our wildfire management partners, using data and intelligence to better understand wildfires, risk, and human behaviour around wildfires in communities.

We will also build upon our partnerships with the National Institute of Water and Atmospheric Research (NIWA), Television New Zealand and MetService, all of which are valuable when preparing for severe weather events or weather events that pose a wildfire risk. For example, NIWA provides briefings that are attended by our people and our natural environment partners, to ensure a common understanding of increasing risk and agree shared preparedness measures. These partnerships help us get risk management messages out across Aotearoa to encourage positive behaviour change.

Investing in continuous improvement initiatives across our risk reduction functions

This year, we have committed to delivering a range of initiatives and projects that support improvements across our risk reduction function. We have developed a programme known as Te Pae Tata, in reference to the whakataukī associated with Fire and Emergency's commitment statement for working with tangata whenua:

Ko te pae tawhiti, whāia kia tata, ko te pae tata, whakamaua kia tina

Pursue distant horizons until they are within reach, once in reach hold them and treasure them

Te Pae Tata ('the close horizon') focuses on the 'destination': what we will have achieved once we have completed this mahi. The Te Pae Tata programme comprises 12 projects, and our intention is to deliver these projects by June 2023. We will remain flexible to ensure we are focusing our efforts on the things which represent the most value to our people, partners and the communities we serve.

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



Working well with communities and stakeholders

Planned and strategic engagement and relationships

To fulfil our purpose and best serve our communities, we need to be able to engage, communicate and work collaboratively with our sector partners, government agencies and key stakeholders. To support this, we will:

- develop and implement a new national engagement framework, setting out key engagement principles and outcomes sought from engagement
- continue to implement the relationship policy, which sets out how, when and why we enter into different relationship agreements
- develop a new consultation policy outlining the purpose and intent of consultation and what commitment is being made when we consult
- develop a new strategic community engagement framework to provide clarity and consistency to how we engage with communities and what outcomes/behaviour changes we wish to achieve
- build strong and effective sector partnerships with a key focus on enhancing and simplifying formal partnership agreements based on Service Delivery strategic and operational objectives. In particular, this will include:
 - providing leadership to regions in the implementation of formal arrangements with our Service Delivery sector partners
 - providing national management and coordination for the single national incident claims programme of work currently underway.

Land management tools to help communities

Fire and Emergency works closely with key stakeholders to protect the environment from the effects of wildfire, while also enabling fire to be used as a land management tool. Our priorities for 2022/23 are to:

- update our Wildfire Risk Assessment tool and produce a new Wildfire Threat Analysis for Aotearoa
- complete a review of how we communicate wildfire risk to better understand how we can make it easier for communities to know what they need to do when wildfire risk changes
- review powerlines as a cause of wildfires to understand how to reduce the occurrences or consequences of these fires
- develop a new policy and guidance to support how our local staff manage wildfire risk and use firebreaks.

Improving how we incorporate local voices into our planning

Our Local Advisory Committees

In June 2020, we established seven Local Advisory Committees (LACs) around New Zealand. 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 advise Fire and Emergency on local risks and ensure we capture community voices and insights to strengthen our local planning and organisation strategy.

Through regular engagement, the LACs continue to build effective relationships with local leaders and are already influencing the ways we are working to reduce risk and increase preparedness in communities. Last year, we evaluated the design of the LACs and implemented recommended changes resulting from that review. In 2022/23, we will continue to embed and improve LAC functions. This will ensure more effective support for LACs, strengthen their reporting to the Board, and increase the organisational understanding of the role of LACs.

Local planning

Through the local planning process, we identify specific needs, resources, constraints and capabilities that relate to our activities, consider how we address these, and demonstrate how these fit in with our national planning. Local planning takes into account advice from a range of stakeholders, including LACs and CDEM groups, to incorporate a local voice into our planning.

At the end of the 2021/22 financial year, we released a *Guide to Local Planning* (the Guide) to support our District Managers as they undertake this task, ensuring planning is locally led, regionally coordinated and nationally enabled. To complement the Guide, we are developing a District Plan template, which will be used for the first time this year, to help our Districts to consolidate their planning outputs at the local level.

Over the 2022/23 financial year, we will focus on implementing this local planning approach within the Districts and supporting our District Managers to undertake local planning to better understand communities. We will continuously update and improve the Guide to ensure our planning outputs inform decision-making and better support our local communities.





Enterprise planning

During the 2022/23 year, we will build on our approach to local planning and implement consistent processes for District and Regional planning. These processes will help to provide a consistent view of where investment is needed at District and Regional levels and help national teams to prioritise support to our regions.

This approach is consistent with our intention to be nationally enabled, regionally coordinated and locally led. We will support Regions to collate and prioritise investment needed across their Districts, feeding this information into national processes to enable enterprise planning.

Emergency Services Leadership Board

The Emergency Services Leadership Board (ESLB) was created in early 2020 to oversee a safe and consistent approach to delivering the emergency sector response to COVID-19. The ESLB's value has been evident as it has developed into an enduring group. It aims to make our communities even more resilient and increase members' collective readiness to respond to significant incidents.

The group comprises chief executives from organisations across the emergency sector, including:

- New Zealand Defence Force
- Ministry of Health
- NEMA
- New Zealand Police
- Fire and Emergency New Zealand
- St John
- Wellington Free Ambulance.

The ESLB commissioned the establishment of another group known as the Emergency Services Operational Leadership Group. This group focuses on the wider issues we face as a sector, aside from COVID-19. These groups continue to meet regularly to discuss and work through the challenges we face as a sector. In 2022/23, the ESLB plans to increase sector collaboration by establishing principles and channels for agency engagement, as well as a sector-wide focus on readiness to help improve multi-agency emergency response.

Continuing to build strong relationships with iwi and Māori

Our work with iwi and Māori

As tangata whenua, Māori are significant partners and play a crucial role in the effective delivery of our services for the benefit of all communities across Aotearoa. Our Pou Takawaenga Māori (Iwi Liaison Officers) hold strong relationships and work strategically across their regions to further help us build and maintain these partnerships and strengthen networks. They support Fire and Emergency to better connect with local iwi, so we can work well together to manage local risks and respond to serious incidents.

Over the financial year, we will work to strengthen our partnership with Māori and iwi in the delivery of risk reduction to Māori communities and households by working closely with the communities and risk reduction teams. This will enable us to develop and deliver specific fire safety education tools and resources through Māori media, and continue improving our responsiveness to Māori communities.

Performance measures	Target 2022/23
Relationship agreements with sector partners aligned to the objectives of the relationship framework	3

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



Continuing to build a Positive Workplace Culture

In April 2022, we marked three years since retired judge Coral Shaw completed her independent review of our policies, procedures, and workplace culture. Our Board formally requested – under the Public Service Act 2020 – that Te Kawa Mataaho (Public Service Commission) complete an independent review of our progress. This review was announced late April 2022 and will consider:

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

While this review is underway, we will continue our work to build a positive workplace culture. A key focus will be on embedding the permanent Behaviour and Conduct Office (BCO). This will include further refining its operational processes and an intensive effort to raise awareness of the BCO and the support it can provide both proactively and in response to instances of unwanted behaviour. Improved reporting and analysis of data from across the organisation will help us target early interventions, based on brigade needs. There will also be a strong focus on the BCO's education and advisory function to accelerate our focus on the delivery of training at brigade level and with our operational leaders.

In the 2022/23 year, we will:

- receive and respond to the findings of Te Kawa Mataaho's independent assessment of our progress in this area
- continue to refine and improve the BCO's data, systems and processes
- deliver values-based respect and inclusion training and education.



Strengthening our cultural capability

Māori will always have a special relationship as kaitiaki, guardians of the environment and Papatūānuku, earth. This is why 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. We are improving our services by building a better understanding and appreciation of Māori culture through Hiwa-i-te-rangi, our Māori Outcomes Programme. This programme is designed to bring to life our commitment to working with Māori as tangata whenua by improving the way we serve Māori communities.

To achieve this, our Kaupapa Māori directorate aim to:

- build organisational and individual capabilities to engage with iwi and Māori in culturally appropriate ways
- strengthen relationships that enable us to engage with iwi and Māori in the design of our services, policy and practice.

In the 2022/23 year, our Hiwa-i-te-rangi programme will:

- launch our piloted cultural capability framework
- pilot the learning and development tools to support our people to progress through the cultural capability framework
- pilot cultural intelligence and unconscious bias training.

Continuing to grow and develop our people capability

Paearu Mahi Senior Incident Leadership Management Competency Framework

The Paearu Mahi Senior Incident Leadership Management Competency Framework (Paearu Mahi) strengthens assurance that our incident response leaders have the right skills and knowledge to protect our people and the public on the incident ground.

It involves developing processes, policies, tools and systems to support the development and assess the knowledge and skills of those in senior and specialist positions who lead our most severe incidents. The Framework will set benchmarks for performance to meet our responsibilities under the Act.

This year, we will begin to embed Paearu Mahi into the organisation through:

- the detailed design of policies, guidelines and processes
- providing learning tools and assessments to support the transition of our people through appointment to the Fire Commander or Assistant Fire Commander ranks
- building the capability and capacity of key functions within the organisation to ensure a successful handover to the business-as-usual teams.



Addressing critical risk to our people

Our critical risk management for the coming year builds on our recent review of critical risks and incorporates planning to ensure we meet our obligations under the Health and Safety at Work Act 2015, equip our people to better understand and manage critical risks, and keep our people and our workplaces safe.

This year, we will focus on designing and implementing a framework to ensure we manage our identified critical safety, health and wellbeing risks well, and to introduce improvement plans as needed. We will upskill our people on what risk management is and why it's important that we are all on the same page when it comes to identifying and managing risk in our workplaces. This will include:

- organisational systems and assurance
- risk assessment and validating controls
- risk management processes
- training and education.

Alongside this framework, we will begin establishing tools and processes for our people and evaluate current risks and existing controls.

Keeping our frontline people safe

Alongside our critical risk reviews, we have identified areas we can improve on to keep our people safe in their day-to-day work in communities around Aotearoa. Some examples include reducing exposure to carcinogens, understanding how safe our firefighting environments are, and delivering specific training to ensure our people operate safely in high-risk environments.

Reducing exposure to carcinogens

Evidence from international research shows that firefighters, fire investigators and training officers are at high risk of being exposed to carcinogens. We have conducted a study to determine whether carcinogens travel through our personal protective equipment layering and if they do, what the level of exposure may be for our personnel.

We developed a post-fire management system that will help minimise firefighter exposure to carcinogens at the incident ground. We will implement it at structure fire incidents or whenever breathing apparatus is used. We are working to extend this to the wildfire environment to better understand how carcinogen exposure differs when we respond in outdoor environments. This will enable us to develop an approach that is applicable to these fires too, if required.

Improving our gas detection capabilities

Our firefighters use gas detectors to identify explosive atmospheres and toxic gases. We will be replacing our current gas detection equipment over the 2022/23 year. We will conduct a gas exposure evaluation study to see how effective the changes we have made to date are and inform the next stage of the programme.

We will continue to work with WorkSafe New Zealand to ensure our post-fire management system provides the level of protection our firefighters need before and after a fire. We will also be updating our documents and developing training for our people on asbestos control and post-fire management.

Working safely in water

This project will enable us to develop and implement practical training for our frontline personnel, for when they respond to situations that occur in or around water, such as rescues, natural disasters or flooding. It builds on the capability established in a previous project 'Working safely around water'.

This work aims to reduce the likelihood of harm to our people and equipment, and to improve outcomes for individuals and communities impacted by water-related events. This training is an essential part of a longer-term programme that broadens the focus of safety to include the health risk of operating in water-related events to ensure a safe working environment and minimise risk to our people.

Continuing to build a safe and positive workplace culture

Kia Toipoto

In 2021/22, Te Kawa Mataaho announced its Kia Toipoto Public Service Action Plan 2021–24 to make progress in closing gender, Māori, Pacific and ethnic pay gaps.

Our response to this action plan will be built around our current data regarding pay gaps and the work undertaken to deliver on our 'Respect and Inclusion Strategy' and 'Positive Workplace Programme'. We aim to design and deliver a programme of work that will support Fire and Emergency to become a more diverse and inclusive organisation – one that is representative of society. We will use the guidance provided by Te Kawa Mataaho to make significant progress on closing gender, Māori, Pacific and ethnic pay gaps.

We will align our milestones with those outlined in Kia Toipoto and for the 2022/23 year these include:

- developing and publishing pay gap action plans
- designing systems to ensure starting salaries and salaries for the same or similar roles are not influenced by bias
- developing plans and targets to improve gender and ethnic representation in our workforce and leadership teams.

Flexible working

The COVID-19 pandemic, and other environmental changes, have altered our working environment and permanently shifted expectations around flexible working. In response, we have made it easier for our people to work in a way that meets their needs by providing connectivity, equipment and flexible working arrangements. We have provided an increased number of portable devices and also seen a reduction in travel as we use video conference software for meetings.

The Kia Toipoto Action Plan also promotes an approach to working arrangements in the public sector that is flexible by default. Fire and Emergency are moving towards this approach, and during the 2022/23 financial year, we will be developing the tools, policies and guidance that we need to implement flexible working arrangements.

In 2022/23, we will be relocating our National Headquarters (NHQ) to a more modern facility in the Wellington CBD as our existing building requires extensive work. Our new workplace will be designed to promote flexible working arrangements. This new workplace has the infrastructure that we need, the benefits of large open plan floors with a modern flexible fit-out, more advanced ICT infrastructure, high seismic resilience, and a five-star Green Star rating from the New Zealand Green Building Council.

Performance measures	Target 2022/23
Increase in our people's knowledge of Hiwa-i-te-Rangi	45% ³

³ The baseline for 2021 was 16 percent of all survey respondents.

Intelligence-led, evidence-based decisions

He whakatau
whakamātautau
ā-taunakitanga,
āriaahi ā-atamai

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

National planning and resourcing framework

We are developing a national planning and resourcing framework, to support strategic decision making. This framework incorporates our local planning process, our annual business planning processes and our asset planning processes, to create a clear national picture of our current and future resourcing requirements including service levels, capability, capital investment and inform workforce planning.

In 2022/23, we will continue development of this framework by introducing processes and templates to ensure we capture information at a local, regional and national level, to inform our decision making. This information will provide us with consistent evidence to identify current capability and thresholds for change to inform and help prioritise future resourcing, inform outyear requirements and identify potential cost pressures.

Our National Research and Evaluation Strategy is due to be launched early in the 2022/23 financial year, and will guide our investment in research and evaluation across the organisation and help us ensure that our decision making is founded on evidence and good practice.

As we make improvements to our SDGs (see page 17) and geospatially-based risk and resource modelling tools, we will incorporate these improvements into our framework to provide a transparent picture of our organisation that accounts for our current state, as well as future needs. The framework aims to achieve a clearer understanding of the capital assets and operational resources that we will need over the coming years, to meet community needs.

National Evidence Hub

We are developing a central repository for research and evaluation outputs, so that all personnel can access our research and evaluation regardless of where they are.

Work with our partners

With our Australian partners, we will continue to support the Australasian Fire and Emergency Service Authorities Council (AFAC) by representing Fire and Emergency on the Research Council. We are also increasing our work in providing a relationship lead role as the National Hazards Research Australia organisation stands up.

With our national partners, we will be taking a lead in developing a New Zealand-based Emergency Sector Research Council which will include working with agencies like NEMA, New Zealand Police, St John and the Red Cross to find areas of common interest in the evidence space.

Capability uplift

In 2022/23, we will continue to support the organisation to uplift its research and evaluation capability, by providing training and advice on evaluation.

Lifting portfolio, programme and project management maturity

To help make sure we are investing wisely, we run an annual prioritisation process to select which projects we'll work on for the next four years. The process uses an international best practice standard and has now been in place for three years, with improvements each year.

Projects are selected based on their ability to address significant operational needs and risks and aligned to our 10-Year Plan. In selecting the portfolio, we balance the strategic need with benefit, affordability and our ability to adopt the new capabilities our projects will bring.

We conducted an initial internal assessment of portfolio, programme and project management capability.

This identified some gaps between where we are and where we need to be, which we will work to address over the coming year.

By 2026/27, we expect to be operating a single investment management framework that guides investment selection, design, delivery and outcome realisation of portfolio programmes and projects.

Working together to review our levy regulations

We are supporting the Department of Internal Affairs (DIA) to make changes to and implement the legislation and regulations relating to the proposed Fire and Emergency levy, provided for in Part 3 of the Act.

As part of the funding review, DIA engaged with key stakeholders and identified potential improvements to the current (transitional) levy system. Our knowledge and insights into how the levy regime operates are helping to inform DIA's work.

In 2022/23, we will continue to work with DIA as they develop the relevant legislation and guidance to support the future Fire and Emergency levy regime. We will support DIA as they progress the Amendment Bill through the Select Committee process and the Exemption Regulations Cabinet approval process, and the development of a Cabinet discussion paper on the proposed future levy rates. To support the development of this discussion paper, we will continue to develop our financial analysis and modelling to calculate the required future levy rates. Following Cabinet approval of the discussion paper, we will undertake public consultation on proposed future levy rates.

Keeping pace with change

Te haere tahi ki ngā hurihuritanga

We will be responsive and courageous in a changing environment

Managing the ongoing impacts of COVID-19

We continue to monitor the impacts of the evolving COVID-19 pandemic on our organisation and adjust our response as required. This includes ensuring we reflect on learnings from our COVID-19 response to date and being prepared for resurgences if they occur. Our primary focus is on contingency planning, working with other agencies and responding to the Government's direction. Our contingency planning has ensured we have been able to maintain our operational response capability while our workforce has been impacted by COVID-19. We will continue to follow the Government's advice, prioritise regular risk and impact assessments, develop our resource allocation models, and adapt to changes in the way the pandemic is managed in New Zealand. This will ensure that the organisation continues to:

- meet its legislative mandate and responsibilities
- reflect any financial constraints of a post-COVID-19 situation
- respond to emergencies in a manner that keeps both our people and the public safe.

Our commitment to environmental sustainability

We have a responsibility to protect the environment – it's a key part of our purpose and this extends to taking action regarding climate change. Fire and Emergency is committed to reducing our carbon emissions in line with the Carbon Neutral Government Programme (CNGP), which aims to accelerate the reduction of carbon emissions within the public sector.

We now have a good understanding of our emissions over the last four years and have used this to establish a strong baseline of our emissions, before and after the impacts of the COVID-19 lockdowns and travel restrictions.

This year, we will be publishing our Climate Response Plan 2022–2030, which summarises the organisation’s response to climate change. It will describe our focus areas to reduce our emissions and adapt to the expected changes in the environment. We will also submit our audited emissions inventory and reduction plan (detailing the initiatives we are progressing) to the Government in December 2023. This is in line with the Government’s requirement for Crown agencies.

Lifting our digital maturity

Our digital approach

Information communications and technology (ICT) is fundamental to how we operate. It’s in our fire trucks, stations, offices and homes. Our digital environment is constantly changing. To keep pace, we need to make sure our technology, skills and mindsets change at a similar pace so we can work more efficiently to deliver our services to communities.

Our Digital Strategy 2021–2027 sets the direction for how we will build the foundations to collect quality information, improve our networks, respond to evolving cybersecurity threats, and work with our people to ensure we are building a workplace that is fit-for-purpose in a digital future.

To make progress towards our Digital Strategy this year, we will focus on:

- centralising our information to improve how we manage and share our data
- moving towards cloud-based technology for increased security and flexibility
- introducing digital workflow systems to make our processes easier, faster and more transparent
- continuously improving the security of our data and devices and our people’s awareness of emerging security risks
- ensuring our people can access our systems and data to do their job from anywhere in Aotearoa.

Maintaining fit-for-purpose assets to support our work

We have a capital asset base of approximately \$1.5 billion. We have 636 fire station sites across the country, plus Regional offices and NHQ. These assets are essential for us to deliver efficient and effective services to our communities. Our Strategic Asset Management Plan sets out how we integrate and manage our assets, using a consistent approach.

Equipment and logistics

As part of our Equipment and Logistics Strategy 2020–2025, we are progressively implementing a fit-for-purpose equipment management, maintenance and logistics system for Fire and Emergency. The new equipment and logistics system is based on a ‘from the factory to the fireground’ continuum, with our original equipment manufacturers and suppliers embedded into the continuum as strategic partners.

In the 2022/23 period, we will implement a more effective fire hose management and logistics system by changing the hose maintenance cycle from a discrete system depending on hose type, to a common, biennial cycle for all our fire hoses. We will further enhance the hose management and logistics system by embedding our Hosemaster™ Hose Care Machine⁴ into a new, purpose-designed Equipment and Logistics Service Centre in Tauranga where we can maximise the Hosemaster’s potential, including its water-saving attributes.

⁴ The Hosemaster has single person, safe operation capability with significant sustainability (water-saving) attributes and integrated hose washing, testing and drying capabilities.

Fleet

Our fleet provides the operational capability to deliver services to communities. We use a range of different types of fire trucks for different types of emergency incidents, and these are deployed across the country to match the risk. We manage our fleet, replace vehicles across their lifespan, and upgrade them as required. Over the 2022/23 year, our focus includes:

- **Type 3 fire trucks.** We involved firefighters in a project that identified their needs and incorporated their feedback before we purchased four next generation Type 3 fire trucks. We expect these new fire trucks to be delivered in the 2022/23 financial year. We will evaluate their performance using trials and surveys before confirming our future supplier(s).
- **Aerial fire trucks.** We have a national fleet of 28 aerial fire trucks of various types. Our aerial fire trucks have a target life of 20–25 years and we will need to replace some of our older aerial fire trucks in 2022/23. We started work in 2021 to procure four new heavy aerial fire trucks, which we expect to be delivered in 2023.
- **Electric vehicles.** The largest contributors to our carbon footprint include our fire trucks, our other diesel vehicles, air travel, electricity, helicopter usage and travel for incident response and training. We have 25 electric and hybrid vehicles and five electric vehicle charging locations and will be increasing our electric fleet in 2022/23. We will continue to evaluate and optimise our fleet from an emissions perspective as part of our progress towards carbon neutrality.

Property

Our property management goal is to ensure a unified, fit-for-purpose and well-maintained network of facilities to support our work in communities across the motu.

COVID-19 Response and Recovery Fund

The funding that Fire and Emergency secured as part of the COVID-19 Response and Recovery Fund (CRRF) contributes to achieving this goal by supporting 26 rebuild and refurbishment projects over a three-year period, the last three of these projects will be completed during 2022/23.

Seismically resilient properties

We are committed to bringing our property portfolio up to seismic standards to protect our people and ensure continuity of service delivery for our communities. As part of our commitment, the coming year will see us complete the rebuild of 18 fire stations affected by the Christchurch earthquake in 2011, as part of the Greater Christchurch Rebuild programme. In the longer term, we will bring 90 percent of facilities in high-risk areas up to a seismic resilience standard⁵ to ensure our facilities are prepared for earthquakes. We aim to complete this by June 2027.

Performance measures	Target 2022/23
Review our Strategic Asset Management Plan and complete an integrated asset management development action plan	By 30 June 2023
COVID-19 Response and Recovery Fund projects completed or in the process of handover	3 ⁶

⁵ 67 percent or above, under clause A3 of the Building Code.

⁶ A total of 23 projects are scheduled to be completed or in the process of handover by 30 June 2022. The remaining three projects are scheduled to be completed in the second quarter of 2022/23.

Our reportable outputs

Tā mātou whakaputanga
ā-pūrongo



Impact of industrial action on reportable outputs

As part of industrial action in support of their bargaining claims, NZPFU members did not carry out any non-operational duties for the first six months of the 2022/23 financial year (July-December 2022). While the administrative component of the industrial action did not impact our operational response, incident response data was not recorded. We will not be able to replace or replicate this information which means some performance data for some activities is limited. This document updates the original 2022/23 SPE to reflect the impact that industrial action has had on reportable outputs.

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

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

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

What we will do	Output class	Measures	Target 2022/23 ⁷	
<ul style="list-style-type: none"> • promote fire safety • provide fire prevention services • assist in setting fire safety standards and granting certificates or approvals • ensure compliance with standards through monitoring and enforcement. 	<p>Output 1.1 Promote fire safety</p> <p>Every year we promote fire safety by delivering campaigns, education programmes and advice – nationally and locally. We aim to change people's behaviour by educating them about fire risks and how to reduce those risks.</p>	1.1.1	Rate of recidivism among Fire Awareness and Intervention Programme participants	Below 10%
		1.1.2	Percentage of schools with Year 1 and 2 students offered the Get Firewise Programme	100% by 30 June 2023
		1.1.3	Percentage of schools with Year 1 and 2 students who complete the Get Firewise Programme	35% by 30 June 2023 ⁸
		1.1.4	Percentage of survey respondents with an escape plan	62%
		1.1.5	Percentage of survey respondents with at least one installed and working smoke alarm	88%
		1.1.6	Percentage of Home Fire Safety Visits delivered in 'medium- and high-risk communities' ⁹	40%
		1.1.7	Maintain an organisational relationship satisfaction rate with stakeholders	60%

⁷ Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

⁸ Revised target from 60 percent to 35 percent by 30 June 2023 due to the NZPFU industrial action.

⁹ 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.

What we will do	Output class	Measures	Target 2022/23 ¹⁰
<ul style="list-style-type: none"> • promote fire safety • provide fire prevention services • assist in setting fire safety standards and granting certificates or approvals • ensure compliance with standards through monitoring and enforcement. 	<p>Output 1.2 Provide fire prevention services</p> <p>We provide fire engineering and technical fire safety advice on building design to government, industry and councils. This includes:</p> <ul style="list-style-type: none"> • processing building consent applications covering the fire engineering design of buildings • approving and monitoring evacuation schemes • advising other regulatory agencies about fire safety compliance. 	<p>1.2.1 Reduction in appliance movements to unwanted alarm events</p>	<p>10% reduction over next 3 years 2022–2025</p>
	<p>Output 1.3 Assist in setting fire safety standards, and granting certificates or approvals</p> <p>Our role as a regulator includes setting standards where we have several responsibilities. These include, but are not limited to</p> <ul style="list-style-type: none"> • preparing and issuing local area fire plans • prohibiting fire in the open air • granting fire permits • declaring prohibited or restricted fire seasons. 	<p>1.3.1 Percentage of fire permits processed within required time frames¹¹</p>	<p>95%</p>
	<p>Output 1.4 Ensure compliance with standards through monitoring and enforcement</p> <p>We have a compliance and enforcement role in standard-setting, with corresponding offence provisions in cases of non-compliance. Examples of non-compliance include:</p> <ul style="list-style-type: none"> • lighting a fire in the open air when prohibited or restricted • failure to provide a fire permit • failure to provide or maintain an evacuation scheme for a relevant building. 		

10 Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

11 Fewer than five working days for emailed permits, no site visit required. Less than 10 working days for emailed permits, site inspection required. Less than 15 working days for posted permits application or where manual application form is used.

Output class 2: Fire response and suppression

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

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

What we will do	Output class	Measures	Target 2022/23 ¹²
<ul style="list-style-type: none"> • respond to structure fires • respond to vegetation fires • maintain capability to respond to national wildfires • support other emergency sector partners to respond to international wildfires. 	Output 2.1 Response to fire Our national service delivery guidelines provide communities with our expected response capability. These guidelines provide targets to ensure we deploy resources efficiently to enable us to intervene as soon as practicable for these types of incidents	2.1.1 Percentage of structure ¹³ fires arrived at by career crews within 8 minutes	80%
		2.1.2 Percentage of structure ¹⁴ fires arrived at by volunteer crews within 11 minutes	85%
		2.1.3 Percentage of vegetation fires arrived at within 30 minutes (anywhere in New Zealand)	90%
		2.1.4 All regions to complete a simulation exercise	By 30 June 2023
		2.1.5 Percentage of Communications Centre ¹⁵ events dispatched for all incidents in rural environments within 2 minutes of receiving the 111 call	85%
		2.1.6 Percentage of Communications Centre events dispatched for all incidents in urban environments within 90 seconds of receiving the 111 call	85%

¹² Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

¹³ Structure fires within urban environments.

¹⁴ Structure fires within urban environments.

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

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

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

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

What we will do	Output class	Measures	Target 2022/23 ¹⁶
<ul style="list-style-type: none"> • stabilise incidents • render incidents safe • protect people and property endangered by incidents • promote safe handling, labelling, signage, storage and transportation of hazardous substances. 	Output 3.1 Response to hazardous substances 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.	3.1.1 Percentage of hazardous substances incidents arrived at by crews with specialist resources ¹⁷ within 60 minutes	85%
	Output 3.2 Assist in promoting the safe use of hazardous substances We assist in promoting the safe use of hazardous substances in terms of handling, labelling, signage, storage and transportation.		

¹⁶ Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

¹⁷ Specialist resources means attendance by Fire and Emergency personnel with specialist skills or hazmat command vehicles. These are specialised units designed for use at hazardous material incidents and other serious incidents that require an on-site command unit. Each carries a comprehensive range of specialised equipment and resources for this purpose.

Output class 4: Rescue as a result of transport accidents and Urban Search and Rescue (USAR)

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

What we will do	Output class	Measures	Target 2022/23 ¹⁸
<ul style="list-style-type: none"> provide response services to rescue persons who are trapped as a result of transport accidents assist by providing crash scene cordoning and traffic control at transport accidents deploy USAR services following serious weather events, other natural disasters and major vegetation fires both within New Zealand and internationally. 	Output 4.1 Response to transport accidents Responding to transport (motor vehicle) accidents is a main response function to rescue persons trapped as a result of this type of incident. We also assist our emergency service partners at the crash scene by providing cordoning and traffic control.	4.1.1 Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes	90%
	Output 4.2 Provide urban search and rescue services Unplanned events are happening more often and becoming more severe. Responding to serious weather-related events, natural hazard events and disasters, and major vegetation fires is a main response function. This means we deploy skilled and specialist USAR teams both nationally and internationally. We maintain this capability through specialised training and equipment caches so we can respond quickly to these types of incidents.	4.2.1 Maintain USAR international classification	Rescheduled to May 2024 ¹⁹

¹⁸ Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

¹⁹ Revised to 'Rescheduled to May 2024' from 'By 30 June 2023' due to the NZPFU industrial action.

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

How we respond to other emergencies also influences how well we minimise social, economic and environmental impacts from emergencies, and how affected communities and individuals recover from events. Our focus is to deliver timely response services that follow good practice and contribute to discussions and forums with stakeholders and partners.

What we will do	Output class	Measures	Target 2022/23 ²⁰
<ul style="list-style-type: none"> assist in responding to medical emergencies assist in responding to a wide range of other types of (non-medical-related) emergencies assist in responding to non-transport-related rescue incidents. 	<p>Output 5.1 Assist in responding to medical emergencies</p> <p>Responding to medical emergencies is an additional response function. It is based on ‘first- and co-response’ levels of expertise to assist our emergency service partners St John and Wellington Free Ambulance. This partnership can help to save lives, particularly as our crews are sometimes the first at the scene of an incident, e.g. an out-of-hospital cardiac arrest. This means they can start cardiopulmonary resuscitation and defibrillation as soon as possible. Our national service delivery guidelines provide targets to ensure we deploy resources efficiently to respond to these types of incidents as quickly as possible.</p>	<p>5.1.1 Percentage of career crews who respond to medical emergencies²¹ within 8 minutes</p>	85%
		<p>5.1.2 Percentage of volunteer crews who respond to medical emergencies²² within 11 minutes</p>	80%
	<p>Output 5.2 Assist in responding to other (non-medical-related) emergencies</p> <p>We assist in responding to other emergencies including maritime incidents, severe weather events, natural hazard events and disasters, other non-hazardous substance-related incidents, and any other situation if we are able to help. We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected datasets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.</p>		
	<p>Output 5.3 Assist in responding to non-transport-related rescue incidents</p> <p>Performing rescues is an additional response function and includes line and animal rescues, and rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres, and swift water. This covers rescue incidents other than transport-related accidents. We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected datasets as infographics or graphically to compare response volumes against other types of incidents we responded to over a period of time.</p>		

²⁰ Due to the NZPFU industrial action, we were unable to record incident data for some activities in the July–December 2022 period. Where this has occurred, performance data is based on the January–June 2023 period only.

²¹ Medical emergencies within urban environments.

²² Medical emergencies within urban environments.

Budget and financial statements

Tauākī tahua me te tahua

For the year ended 30 June

Output class reporting

Financial overview

- Prospective statement of financial performance
- Prospective statement of changes in equity
- Prospective statement of financial position
- Prospective statement of cash flows
- Statement of underlying assumptions
- Significant accounting policies

Output class reporting

Te arotakenga o ngā whāinga

Cost of the outputs for the year ending 30 June

	Forecast levy receipts	Forecast other revenue	Forecast total expenditure	Net surplus/ (deficit)
	\$000	\$000	\$000	\$000
Output class reporting				
1.0 Fire prevention including promotion of fire safety, compliance and enforcement	65,004	2,325	72,202	(4,873)
1.1 Promote fire safety	25,160	594	27,946	(2,192)
1.2 Provide fire prevention services	2,731	65	3,034	(238)
1.3 Assist in setting fire safety standards and granting certificates or approvals	33,431	1,579	37,133	(2,123)
1.4 Ensure compliance with standards through monitoring and enforcement	3,682	87	4,089	(320)
2. Fire response and suppression	403,282	4,913	447,930	(39,735)
2.1 Response to fire	403,282	4,913	447,930	(39,735)
3. Render safe hazardous substances and provide for safety at incidents	9,389	110	10,429	(930)
3.1 Response to hazardous substances incidents	9,068	102	10,072	(902)
3.2 Assist in promoting the safe use of hazardous substances	321	8	357	(28)
4. Rescue as a result of transport accidents and urban search and rescue	86,493	1,129	96,071	(8,449)
4.1 Response to transport accidents	76,534	746	85,009	(7,729)
4.2 Provide urban search and rescue (USAR) services	9,959	383	11,062	(720)
5. Responding to other emergencies, including medical, maritime, other rescues and natural hazard events	77,761	10,835	86,371	2,225
5.1 Assist in responding to medical emergencies	38,222	4,902	42,454	670
5.2 Assist in responding to other (non-medical-related) emergencies	38,655	5,413	42,935	1,133
5.3 Assist in responding to non-transport-related rescue incidents	884	520	982	422
Total cost of outputs	641,929	19,312	713,003	(51,762)

Financial overview

Whakarāpopoto i te pūtea

Update to 2022/23 Statement of Performance Expectations

This document updates the Budget and Financial Statements presented in the original 2022/23 SPE to reflect the impacts of industrial action by the NZPFU over the first half of the 2022/23 year and settlement of the Professional Firefighters Collective Employment Agreement on 6 December 2022.

The settlement has increased operating costs by \$55.4 million in 2022/23; \$50.2 million in 2023/24 and \$58.3 million in 2024/25. These cost increases have created forecast operating deficits.

We will need a review of levy rates to move Fire and Emergency back to operating surpluses. In the updated Financial Statements, we have assumed that an increase in levy rates will be approved and implemented by 1 July 2024, which will generate an operating surplus for 2024/25 and future years.

In the meantime, forecast operating deficits of \$51.76 million in 2022/23 and \$40.11 million in 2023/24 will progressively reduce cash available to fund replacement of capital assets and raise operational risks. To ensure that the capital programme continues over this period without impacting on service delivery, the Crown has agreed to a repayable loan of \$75.40 million.

Revenue

Fire and Emergency is primarily funded from levies on property and motor vehicle insurance. Existing levy rates are 10.60c per \$100 sum insured on properties and \$8.45 per motor vehicle insured per year.

When COVID-19 arrived in New Zealand in 2020, we acted quickly to consider and respond to the potential financial impact on the Fire and Emergency levy, including implementing cost saving programmes. Although there was an initial nine percent reduction, levy proved highly resilient ending the 2020/21 year favourable to budget. This trend has continued through 2021/22, giving additional confidence in our budget for 2022/23. Total revenue is assumed to grow at two percent per annum.

In 2019, the Government commenced a Fire and

Emergency funding review and has since refined the scope of the review. The funding review will now focus on ways to improve an insurance-based funding model. This may involve amendments to the Fire and Emergency New Zealand Act 2017 and introduction of new levy regulations and guidance for levy payers.

Fire and Emergency is working with DIA in order to prepare for these changes. For the purposes of this SPE, we have assumed that existing funding mechanisms will remain unchanged. However, to fund the increased operating costs resulting from settlement of the Professional Firefighters Collective Employment Agreement, we have assumed that an increase in levy rates will be approved and implemented by 1 July 2024. This is forecast to generate additional revenue of \$85.0 million in the 2024/25 year.

Expenditure

The Board has set a core expenditure cap of \$617.90 million, which is adjusted year to year for the impact of wage and general inflation, the effect of the capital programme, other technical accounting adjustments and one-off costs. On this basis, expenditure is forecast to increase by \$95.10 million from \$617.90 million in the 2021/22 SPE to \$713.00 million in 2022/23. The increase is due to:

- increased operating costs resulting from settlement of the Professional Firefighters Collective Employment Agreement on 6 December 2022
- ongoing wage increases across other non-firefighter roles
- increased interest costs related to the repayable Crown loan
- change in treatment of Software as a Service costs including one-off Human Resource Management Information System (HRMIS) and Payroll implementation
- most activity to return to pre-COVID-19 levels except for travel which remains low due to a focus on carbon emissions and greater use of technology
- an increase in depreciation due to shortening

the service life of fire appliances to meet the Government's requirement for the public sector to be carbon neutral by 2025

- offset by savings introduced across the organisation.

Total costs will be managed to fit within available funding.

Net deficit

The forecast deficit attributable to the Board for 2022/23 is \$51.76 million.

Decrease in cash in 2022/23

Cash reserves in 2022/23 decrease by \$56.54 million from the opening balance of \$198.51 million to \$141.97 million due to the increased operating costs resulting from settlement of the Professional Firefighters Collective Employment Agreement; repayment of the Crown loan offset by timing of cash receipts from levy contracts placed in the last two months of 2021/22.

The remaining cash reserves will be used to:

- fund the organisation's repayment of the Crown loan which amounts to \$39 million²³ over the three years forecast of this SPE and;
- the increased spend on capital expenditure (CAPEX) over and above depreciation funding from 2022/23-2024/25 of \$25.51 million.

When levy changes come into effect, it is anticipated that upwards of \$60 million of additional working capital cash required may be needed due to changes in the timing of levy collection under Part 3.

Financial position

Fire and Emergency is forecast to have assets of approximately \$1.56 billion at the end of 2022/23 and total liabilities of less than \$200 million.

This reflects the asset-intensive nature of the business and low levels of debt. In order to manage cash flow risks arising from volatility in levy revenue receipts, working capital and the occurrence of a significant adverse event (for example a major earthquake or fire), we have assumed that Fire and Emergency will continue to hold minimum reserves of \$50 million. The high cash balance is needed as a strong balance sheet is important with the continued threat of COVID-19, the need to respond to some significant new demands and increase in the capital programme over the next few years. The organisation has more than \$2 billion of required capital expenditure over the next two decades and will be required to modify its resource base to respond to shifting climate, risk and incident patterns and funding constraints. We will also need to consider our move to carbon efficient appliances, to align with the Government's goal of becoming carbon neutral by 2025.

Total equity (or the value of the organisation) is forecast to increase to \$1.37 billion at the end of 2022/23 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.

²³ \$13 million per annum for three years.

Prospective statement of financial performance for the years ending 30 June

	Budget 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000
Revenue			
Levy	641,929	654,743	752,840
Interest revenue	1,920	1,700	1,600
Other income	17,392	17,392	17,392
Total revenue	661,241	673,835	771,832
Expense			
Employee and volunteer benefits expenditure	461,567	458,601	479,414
Depreciation	71,558	74,709	80,313
Amortisation	8,477	5,453	1,779
Finance costs	2,542	3,646	4,734
Other expense	168,859	171,534	173,915
Total expense	713,003	713,943	740,155
Net surplus/(deficit) attributable to the Board	(51,762)	(40,108)	31,677
Other comprehensive revenue and expense			
Gains/(losses) on revaluation of land and buildings net of impairment losses	30,000	30,000	30,000
Total comprehensive revenue and expense	(21,762)	(10,108)	61,677
Other expense			
Fleet	26,636	27,236	27,756
Communications and computer	35,154	36,878	37,924
Occupancy	26,661	28,334	28,641
Operational clothing, equipment and consumables	30,700	33,876	30,830
Travel	12,216	11,292	12,033
Promotional activities	6,680	6,628	7,166
Professional fees	17,454	12,685	14,584
Grants	3,540	4,632	4,718
Insurance	4,521	4,616	4,708
Office equipment and consumables	1,670	1,664	1,662
Research and development	1,240	1,238	1,235
Other operating costs	2,387	2,455	2,658
Total other expenditure	168,859	171,534	173,915

Prospective statement of changes in equity as at 30 June

	Budget 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000
Equity as at 1 July	1,389,742	1,367,980	1,357,872
Total comprehensive revenue and expense	(51,762)	(40,108)	31,677
Revaluation reserves	30,000	30,000	30,000
Total equity at beginning of year	1,367,980	1,357,872	1,419,549

Prospective statement of financial position as at 30 June

	Budget 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000
Current assets			
Cash and cash equivalents	141,968	107,875	126,975
Trade and other receivables	133,773	136,355	156,224
Prepayments	2,125	2,125	2,125
Total current assets	277,866	246,355	285,324
Non-current assets			
Property, plant and equipment	1,274,343	1,314,162	1,349,099
Intangible assets	11,594	9,141	10,362
Total non-current assets	1,285,937	1,323,303	1,359,461
Total assets	1,563,803	1,569,658	1,644,785
Liabilities			
Current liabilities			
Trade and other payables	27,603	35,214	38,969
Employee and volunteer benefits	40,274	41,038	41,881
Funding Injection - current	12,502	12,502	12,502
Finance lease - current	1,737	1,737	1,737
Crown loan - current			7,787
Provisions - current	3,193	3,193	3,193
Total current liabilities	85,309	93,684	106,069
Non-current liabilities			
Employee and volunteer benefits	42,208	40,132	39,732
Funding Injection - term	25,992	13,423	710
Finance lease - term	12,941	10,174	7,139
Crown loan - term	25,400	50,400	67,613
Provisions	3,973	3,973	3,973
Total non-current liabilities	110,514	118,102	119,167
Total liabilities	195,823	211,786	225,236
Net assets	1,367,980	1,357,872	1,419,549
Equity			
Accumulated funds	771,855	735,037	770,004
Seismic resilience reserve	14,170	12,170	10,170
Crown funding injections	53,880	52,590	51,300
Revaluation reserve	528,075	558,075	588,075
Total equity	1,367,980	1,357,872	1,419,549

Prospective statement of cash flows for the years ending 30 June

	Budget 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000
Receipts from levy	643,859	652,143	732,963
Receipts from other revenue	17,163	17,193	17,192
Interest received	2,070	1,718	1,609
Payments to employees and volunteers	(461,584)	(459,190)	(477,332)
Payments to suppliers for goods and services	(174,391)	(166,230)	(173,370)
Net cash flow from operating activities	27,117	45,634	101,062
Proceeds from sale of property, plant and equipment	3,150	0	0
Purchase of property, plant and equipment	(92,565)	(84,328)	(85,050)
Purchase of intangible assets	(3,002)	(3,000)	(3,000)
Net cash flow from investing activities	(92,417)	(87,328)	(88,050)
Interest paid	(1,139)	(1,632)	(2,877)
Payments on finance leases	(2,501)	(2,767)	(3,035)
Repayments of Crown funding injection	(13,000)	(13,000)	(13,000)
Crown loan	25,400	25,000	25,000
Net cash flow from financing activities	8,760	7,601	6,088
Net increase/(decrease) in cash and cash equivalents	(56,540)	(34,093)	19,100
Cash and cash equivalents at the beginning of the period	198,508	141,968	107,875
Cash and cash equivalents at the end of the year	141,968	107,875	126,975

Statement of underlying assumptions

Significant assumption

Fire and Emergency in preparing the prospective financial statements have made assumptions, the most significant are outlined below.

Category	Assumptions
COVID-19	There has been no significant impact on Fire and Emergency's prospective assets or liabilities because of COVID-19. However, assumptions have been made around the revenue and expenses forecasts with the uncertainty around any future COVID-19 impacts. Fire and Emergency have taken a prudent approach.
Useful life of fire appliances	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 shorted by up to eight years given the potential need to transition to a lower carbon emission fleet at an increased rate. The accelerated depreciation has been assumed within the prospective financial statements.
Levy	Levy rates are increased on 1 July 2024 to fund increased operating costs resulting from settlement of the Professional Firefighters Collective Employment Agreement, and to repay the Crown loan. Fire and Emergency are engaged in supporting Department of Internal Affairs (DIA) to make amendments to and implement the legislation and regulations relating to the proposed Fire and Emergency levy, provided for in Part 3 of the Act. The prospective financial statements forecast levy receipting moving to a three-month collection rate from a two-monthly cycle, in 2024/25.
Software as a Service (SaaS)	International Financial Reporting Interpretations Committee (IFRIC) recent agenda decisions provided some clarity on cloud computing arrangements, which historically, has been an uncertain area. Cloud computing arrangements are those where the customer does not have control or own the underlying software. Rather, the customer accesses and uses the software on an as-needed basis. SaaS previously treated as capital expenditure and is now determined as operating expenditure has been forecasted accordingly based on Fire and Emergency's knowledge and best estimates. This includes assumptions around depreciation.

Critical accounting estimates

The preparation of financial statements in conforming with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable in the usual course of operations. 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 relate. Actual financial results achieved for the period may vary from the information presented.

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 PBE for financial reporting purposes.

These financial statements for Fire and Emergency are for the budgeted year ending 30 June 2023 and forecasted years ending 30 June 2024 and 2025.

Basis of preparation

Statement of compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). Fire and Emergency is a Tier 1 entity and the financial statements have been prepared in accordance with PBE IPSAS. These prospective financial statements comply with Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS-42).

Presentation currency and rounding

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

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the prospective financial statements.

Revenue

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

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

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.

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

Donated assets are 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.

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.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Fire and Emergency are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

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.

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.

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 the 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.

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 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.

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.

Trade and other payables

Short-term payables are recorded at the amount payable. 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.

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.

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 prospective 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 prospective Statement of financial performance and prospective 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.

Financial instruments

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.

Statement of cash flows

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

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. 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 Crown Entities Act 2004 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 the 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.

Impact of COVID-19

Fire and Emergency provides essential services to New Zealanders and will continue to do so throughout all COVID-19 alert levels. Protocols and procedures are in place for incident response teams to ensure they remain safe. Operational support staff work from home where possible. There has been no significant impact on Fire and Emergency's prospective assets or liabilities as a result of COVID-19.



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