Pūrongo ā-Tau
Annual Report

For the year ended 30 June 2024

WHAKARATONGA IWI

FIRE EMERGENCY NEW ZEALAND

Ngā ihirangi
Contents

4 **Foreword**

6 **Introduction**

8 **Who we are and what we do**

14 **Our performance measurement framework**

16 **Our long-term outcomes**

18 **Statement of Performance for the year ended 30 June 2024**

20 **Disclosure of judgements**

22 **Outcome: Fewer unwanted fires**

24 Fire prevention including the promotion of fire safety, compliance and enforcement

38 **Outcome: Reduced harm to people, property and the environment from fires and emergencies**

40 Fire response and suppression

50 Render safe hazardous substances and provide for safety at incidents

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

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

69 **Our strategic intentions**

81 **Environmental sustainability**

84 **Output class reporting**

90 **Independent Auditor's report**

94 **Our financials**

146 **Our Board**

Kupu Takamua
Foreword

On behalf of the Fire and Emergency New Zealand Board, I am pleased to present the 2023/24 Annual Report.

Fire and Emergency was established in 2017 under the Fire and Emergency New Zealand Act 2017 (the Act). The Act brought together all fire services from across Aotearoa New Zealand. The changing role of firefighters was provided for in the Act and reflects the work we do beyond fighting fires, such as our work responding to transport and motor vehicle accidents, medical emergencies, hazardous substance spillages, storms, floods, earthquakes and a wide range of rescues, including our urban search and rescue capability. With national fire and emergency capabilities, we respond in a consistent way when large scale incidents happen.

As our role has expanded, so too has the need to evolve our performance reporting to be more transparent to the communities we serve and who fund us. We have established a multi-year programme of work to improve our performance measurement framework. Our recently published 2024/25 Statement of Performance Expectations was the first step in this work.

While this Annual Report is for the year that precedes our new Statement of Performance Expectations, where we have been able to, we have updated it in line with the changes we are making through this programme of work. You will see this Annual Report is framed around our output classes and measures, which better reflects the breadth of what we do, from fire safety and prevention through to response.

We have also refocused how we report on our enabling activities. Often enabling activities are in the background but undertakings such as our specialist training programmes, or our culture change work, or the efforts we put into developing our partnerships, help our frontline and are an integral part of measuring our performance.

While financial sustainability and the prudent use of levy payer money are consistent priorities for the Board, in the 2023/24 financial year we have intensified our efforts and focus. Changes to the levy regime for Fire and Emergency create some uncertainty in levy revenue from 2026, we have known and unknown cost pressures we need to fund, and we need to significantly increase investment in aging assets and in our people. As a result, in 2023/24 the Board established the Financial Sustainability and Investment Committee to oversee and focus on ongoing financial viability. The intensity of this focus will be maintained for the foreseeable future.

With our broadened mandate, from fire to fire and emergency, we have needed to develop new ways of forward planning and investment based on risks and the changing needs of communities. We are focused on continuing to improve these processes to ensure levy payer money is being invested in ways that focus on the highest priorities and can adapt to address the actual and changing risks communities face.

Building and running a national fire authority and emergency first response organisation is an enormous and worthwhile challenge. I am proud of what we have achieved so far both in 2023/24 and since we were established. I am confident that Fire and Emergency will continue to accept the challenges it faces and realise the opportunities that are to come.

As always, the Board commends the people of Fire and Emergency who work tirelessly for the communities they serve.

He aha te mea nui o te ao? He tangata! He tangata! He tāngata!

What is the most important thing in the world? It is people! It is people! It is people!

Rebecca Keoghan, MNZM (Chair)

31 October 2024

The 2023/24 financial year was a busy one and it is always a pleasure to reflect on the work we have delivered for communities across Aotearoa New Zealand, to better support our people, and to ensure we continue to operate an efficient, sustainable organisation.

This Annual Report looks different from our previous ones. That is part of the work we are doing to better tell our story about what we are delivering for Aotearoa New Zealand and how we are delivering value for levy payers' money.

We are focused on maturing and improving our accountability and transparency to the communities we serve, Ministers and Parliament. This priority work is part of a multi-year improvement programme.

Ensuring Fire and Emergency is a safe, positive and inclusive environment for all of our people is a priority. We continue to work on driving long-term workplace culture change. This year we have delivered two significant achievements. We established an external, independent and impartial enquiries and complaints service available to everyone at Fire and Emergency. We also developed a new Code of Conduct. Both are considerable milestones in our journey. While there is still work to be done, our progress reports and our employee satisfaction surveys show that we are moving in the right direction.

Our wildfire season was arduous, especially in the South Island. In February, the Port Hills were on fire again, almost seven years to the day since the last wildfire in that area. The experiences of those communities through this fire demonstrated the difference Fire and Emergency has made since establishment. Clarity of command through a single fire entity, a collaborative combined organisation approach, engaging with communities to understand what matters to them and communicating openly were all highlights alongside the fire being contained more quickly and with less property damage. A testament to the Fire and Emergency approach to dealing with these sorts of incidents. An incredible effort from crews who were fighting multiple vegetation fires across the Canterbury region at the time.

This year we also took a major step forward in implementing levy arrangements as intended by the Fire and Emergency New Zealand Act 2017. We ran public consultation on proposed levy rates and our activities for the levy period 1 July 2026 – 30 June 2029. This is the first time we have run a consultation like this and we had a strong response with 841 submissions overall. It was heartening to see how many people engaged with the consultation and the outcome showed the value of participation.

Looking ahead, we need to ensure that we continue to operate efficiently and prioritise our spend to reflect the responsibilities we have to keep the communities we serve safe, now and into the future. The increase to the transitional levy introduced on 1 July 2024 by the previous Government will help to cover the immediate pressures we face as first responders. But, the community need for our services is changing, and so are our costs for reduction, readiness, response and recovery.

My thanks go to everyone at Fire and Emergency for your unwavering commitment and your strong focus on keeping the communities we serve safe.

Ehara taku toa i te toa takitahi, engari kē he toa takitini.

My success should not be bestowed onto me alone, it was not individual success but the success of a collective.

Kerry Gregory
Chief Executive

31 October 2024

Whakataki
Introduction

This Annual Report describes the work we have done to achieve our outcomes for Aotearoa New Zealand and the value we provide to our communities.

This Annual Report reflects our commitment to improving the strategic alignment of our organisation. The Annual Report includes clearer explanations of output class performance, including why a measure is important, the operational context, and performance trends.

We demonstrate our performance at a range of different levels.

- **Outcome indicators** – these are long-term indicators that monitor the incidence and harm caused by unwanted fires across Aotearoa New Zealand.
- **Output classes and reportable outputs** – these measures show how we are performing across our five output classes. We have included additional performance information for the outputs which did not have a measure in the 2023/24 reporting year.
- **Our strategic intentions.** Our 2023/24 Statement of Performance Expectations outlined our plan to progress the goals outlined in our Statement of Intent 2023 – 2027. We describe our progress in each of our Strategic Focus Areas: **Delivering for Aotearoa, Developing our People** and **Building our Business.**

Risks and challenges

We have key challenges arising from the breadth of our mandate, the unpredictability of our operating environment, the condition of our asset base and the uncertainties in the new levy-based funding model.

Our mandate and operating environment

The Fire and Emergency New Zealand Act 2017 (the Act) establishes our mandate and responsibilities to deliver fire safety and community risk reduction as well as other non-fire related services such as medical response, maritime response and Urban Search and Rescue (USAR).

We need to be ready to respond to a range of emergencies even though we cannot predict when they may happen. This includes maintaining specialists skills and assets so our people can safely deliver services in high-risk situations.

Our asset base

We need significant investment to upgrade and replace our assets and address legacy issues. We need to manage asset deterioration, deferred maintenance needs and seismic strengthening. As a large proportion of our assets are already fully depreciated, depreciation flows are insufficient to fund the replacement of existing assets.

Our ability to respond safely and effectively is driven by where our operational assets are located and how well our people are trained.

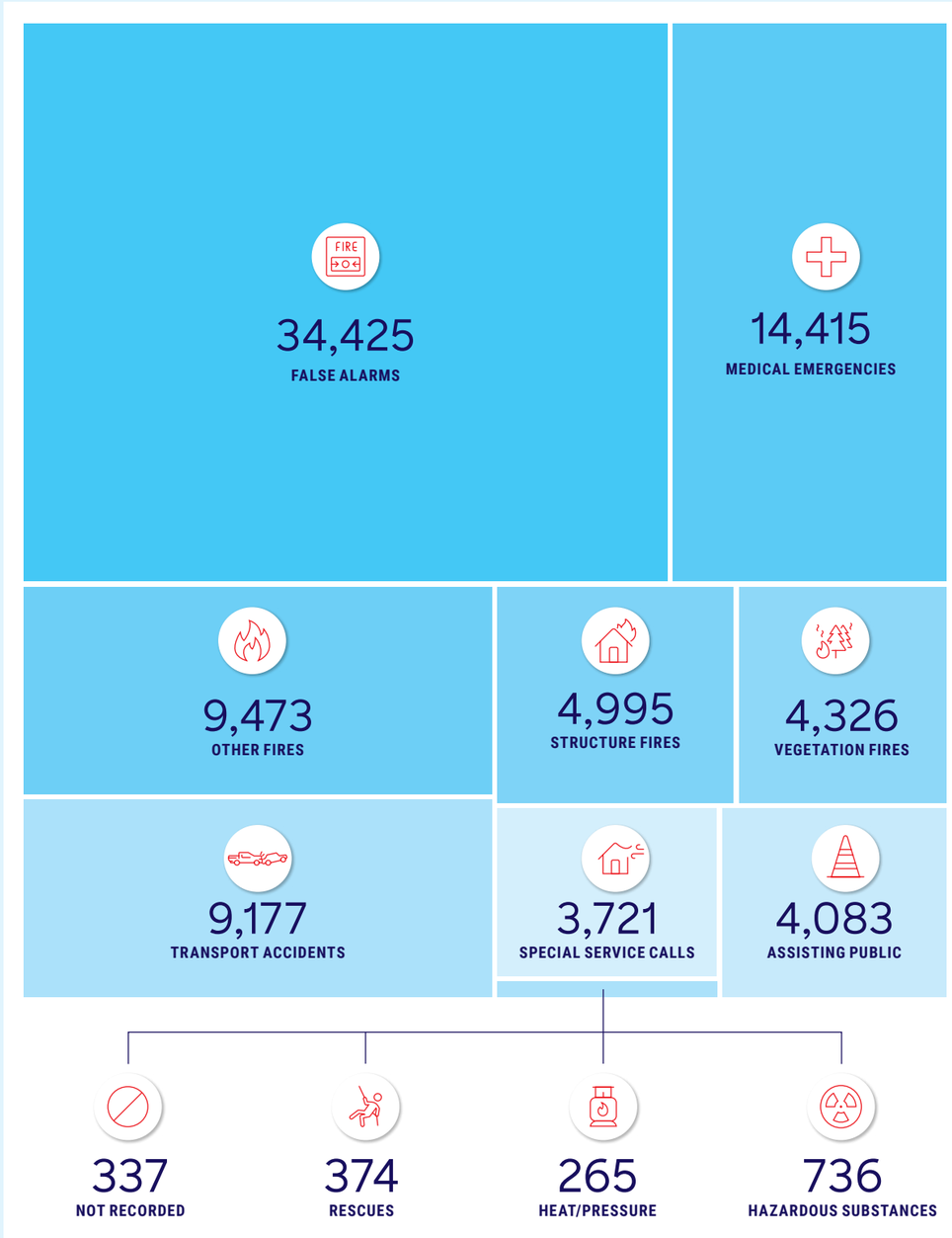
We are dependent on levy funding

From 1 July 2026, a new levy system will come into effect that has a different basis for paying levies including a shift to charging based on sum insured. We have little information on which to forecast the revenue that the new levy system will provide, creating uncertainty in the amount of levy revenue we will receive over the 2026-29 levy period.

TOTAL INCIDENTS ATTENDED

86,327

2,202[1]



1 The decrease in incidents in 2023/24 is primarily due to the widespread weather events that occurred in early 2023. These events saw us attend an additional 2,367 incidents in quarter three 2022/23 than we did in quarter three 2023/24.

Ko wai mātau, ā, he aha ā mātau mahi
Who are we and what we do

Our outcomes: Fewer unwanted fires and reduced harm to people, property and the environment from fires and emergencies.

Main functions

- Promoting fire safety
- Providing fire prevention, response and suppression services
- Providing for the safety of persons and property endangered by incidents involving hazardous substances
- Rescuing people trapped because of transport accidents or other incidents
- Providing urban search and rescue services

Additional functions (assist with)

- Medical emergencies, maritime incidents, weather events, natural hazard events, disasters and non-hazardous substance incidents
- Promoting safe handling, labelling, signage, storage, and transportation of hazardous substances
- Rescues including line rescues, animal rescues, rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres and swift water
- Providing assistance at transport accidents

Our role as a regulator

Our regulatory role is focused on fire safety and fire-related offences.

This includes:

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

We carry out additional risk reduction activities under various legislative provisions and organisational practices.

These 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
- 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
- providing technical expertise on the firefighting capability required for outdoor pyrotechnic displays.

Response times

This infographic tracks the actions that are taken to meet the targets for our response time measures relating to fire response, medical response and other types of response.

CALLER DIALS 111

When someone dials 111, the call is answered by the Spark Initial Call Answering Point and the caller is asked whether they require **Ambulance, Fire,** or **Police**. If the answer is **Fire**, the call is redirected to our Communication Centres (ComCen).

VOLUNTEER CREW

ALERTED

Once a volunteer crew is alerted, they have **5 minutes** to turnout.

As well as donning their **protective gear**, volunteer crews need to **travel to the station** before they can turnout.

VOLUNTEER CREW

DEPART STATION
STRUCTURE FIRE AND MEDICAL

Once a volunteer crew departs the station, they have **4.5 minutes** to drive to the scene (for **fires** and **medical emergencies**).

This shorter drive accounts for the fact that volunteer stations are often in smaller communities.

When travelling crews have to balance arriving quickly with factors such as **public safety, traffic** and the **location** of the emergency.

VOLUNTEER CREW

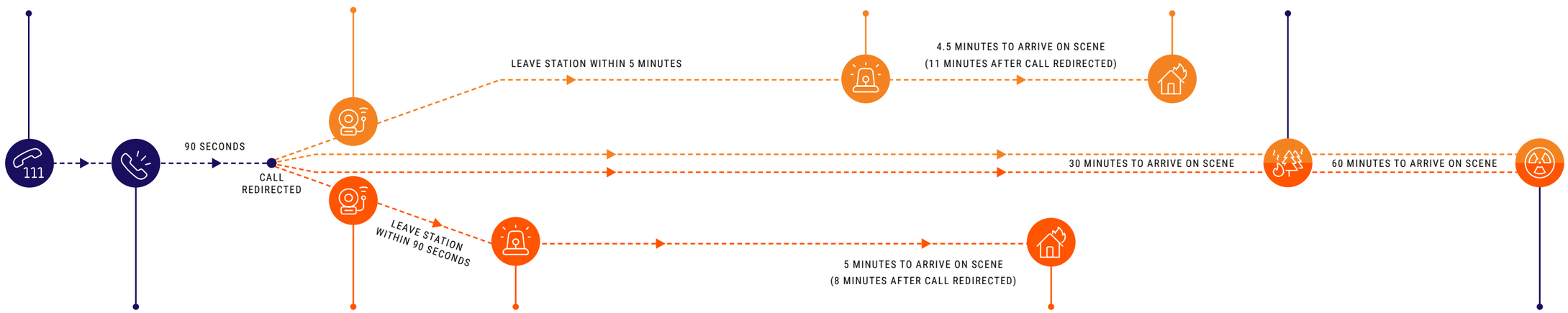
ARRIVE ON SCENE
STRUCTURE FIRE AND MEDICAL

Our service delivery target is for volunteer crews to arrive on scene **11 minutes after an emergency** call is redirected to our ComCen.

CREWS ARRIVE ON SCENE
VEGETATION FIRE AND TRANSPORT ACCIDENT

Our target for responding to **vegetation fires** is **30 minutes**. This target reflects the fact, that many vegetation fires occur in **rural** or **remote** areas, which can be far from stations and difficult to access.

Our target for responding to **transport accidents** is **30 minutes**. This target reflects our **assistance role** in transport accidents and the fact that many transport accident occur in locations that are further away from stations. For example, **highways** or **motorways**.



CALL REDIRECTED TO OUR COMCEN

Our ComCen personnel have **90 seconds** to speak with callers to **gather information** about an incident and **dispatch** the closest **appropriate resources** to the emergency. While career stations cover a large part of the population, in many parts of the country this will be a volunteer crew.

Once a crew is alerted our ComCen will continue to **monitor the situation**, liaise with other services, and respond any **support that is needed**.

CAREER CREW

ALERTED

Once a career crew is alerted, they have **90 seconds** to turnout.

In this time our crews need to don their **protective gear.** This can include **overtrousers, jackets, gloves** and **boots**.

CAREER CREW

DEPART STATION
STRUCTURE FIRE AND MEDICAL

Once a career crew depart the station, they have **5 minutes** to drive to the scene (for **fires** and **medical emergencies**).

When travelling crews have to balance arriving quickly with factors such as **public safety, traffic** and the **location** of the emergency.

CAREER CREW

ARRIVE ON SCENE
STRUCTURE FIRE AND MEDICAL

Our service delivery target is for career crews to arrive on scene **8 minutes after an emergency call** is redirected to our ComCen.

CREWS ARRIVE ON SCENE
HAZARDOUS SUBSTANCES

Our target for responding to **hazardous substance emergencies with specialist resources is 60 minutes.**

This target reflects the fact that other resources often attend sooner and provide cordon and control services.

Disclaimer: Schema is model only and not precisely to time scale

86,327

INCIDENTS ATTENDED

a decrease of 2.5%

95,619

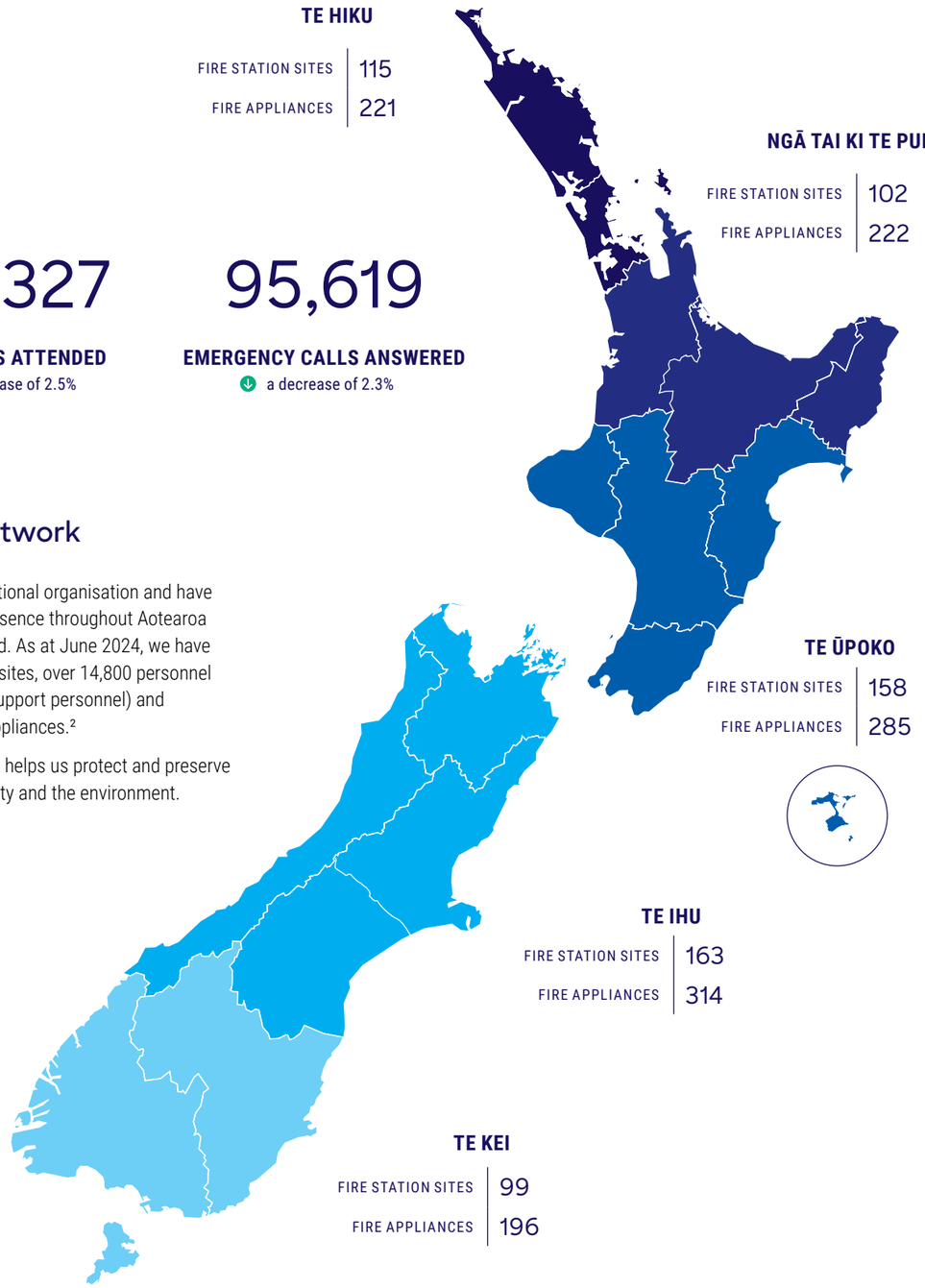
EMERGENCY CALLS ANSWERED

a decrease of 2.3%

Our network

We are a national organisation and have a strong presence throughout Aotearoa New Zealand. As at June 2024, we have 637 station sites, over 14,800 personnel (including support personnel) and 1,282 fire appliances.[2]

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



TE HIKU

FIRE STATION SITES	115
FIRE APPLIANCES	221

NGĀ TAI KI TE PUKU

FIRE STATION SITES	102
FIRE APPLIANCES	222

TE ŪPOKO

FIRE STATION SITES	158
FIRE APPLIANCES	285

TE IHU

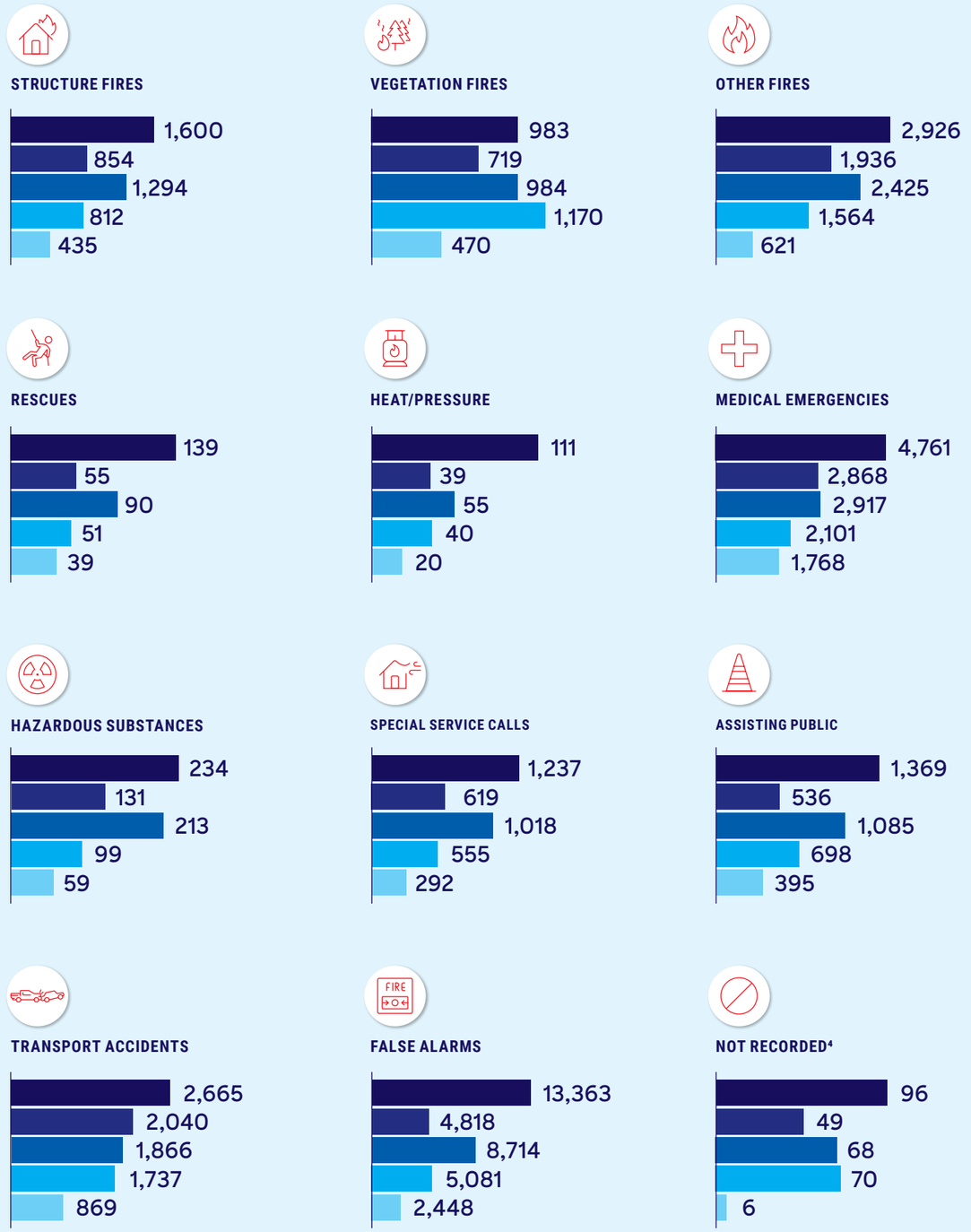
FIRE STATION SITES	163
FIRE APPLIANCES	314

TE KEI

FIRE STATION SITES	99
FIRE APPLIANCES	196

2 We have 44 appliances which are not assigned to a region. These sit at a national level as training, specialist response and relief appliances.

Incidents attended by region[3]



3 The regional incident count adds up to 86,277. This is because 50 incidents in 2023/24 cannot be attributed to a single region. This includes one false alarm, one other fire and 48 incidents where the type was not recorded.

4 This category counts incidents which have not be assigned a type in our system. In 2023/24 this represented 0.39% of total incidents attended.

Tā mātau anga ine tutukinga mahi

Our performance measurement framework

Our purpose | Kaupapa

Protecting and preserving lives, property and the environment

Our long-term
Outcomes

The changes we want to see in our communities

Fewer unwanted fires

Reduced harm to people, property and the environment from fires and emergencies

Our reportable
Output classes

Our services and activities

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

Output class 2
Fire response and suppression

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

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

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

Our
Strategic priorities

Focus areas to ensure we are successful

Delivering for Aotearoa

Developing our people

Building our business

Our values

Kia tika
We do the right thing

Whanaungatanga
We are better together

Manaakitanga
We serve and support

Auahatanga
We strive to improve

Ā mātau putanga tauroa
Our long-term outcomes

We work to achieve **fewer unwanted fires** and **reduced harm to people, property and the environment** across Aotearoa New Zealand. Our performance measurement framework shows how the work we do contributes to these outcomes. We are reporting indicators for these outcomes for the first time. These indicators are based on data collected in our station management system by our firefighters when they attend an incident:

- **All fire incidents**
  - structure fire incidents
  - vegetation fire incidents
  - other fire incidents
- **All fire incident injuries**
- **All fire incident fatalities**

These indicators will help us monitor the extent of change we are seeing over time. We are working to identify additional data that might help us better understand the trends we are seeing and the impact of our work.

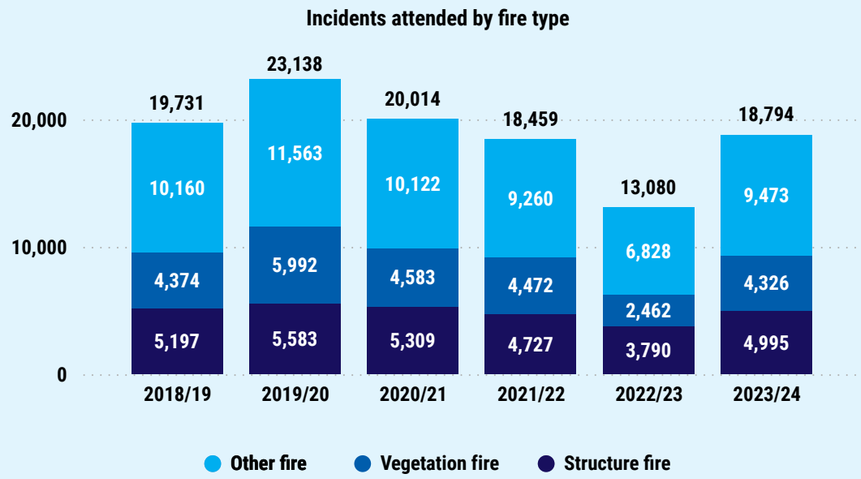
All fire incidents[5]

We have shown the number of fires we attended by type. It is important to note that this chart does not show the scope or scale of responses. For example, the Port Hills fire and a roadside grassfire are both counted as vegetation fires despite the difference in the scale of the response.

While incident numbers are remaining stable, we are seeing increasingly complex wildfires. This is increasing response duration, cost of response and has a flow on effect on the capability we need to respond safely and effectively. It is expected that our country will become hotter and drier, which will create conditions that increase both the frequency and severity of wildfire events.

We are developing tools to help our personnel and educate communities on preventing and responding safely to wildfires.

This year, we collaborated with the National Emergency Management Agency (NEMA) to align our wildfire preparedness messaging to ensure there is national consistency in what we communicate to the public in the event of a wildfire emergency.



5 The apparent drop in 2022/23 is because the administrative aspect of industrial action undertaken by the New Zealand Professional Firefighters Union meant we received data when we attended an incident but no information on the type of incident.

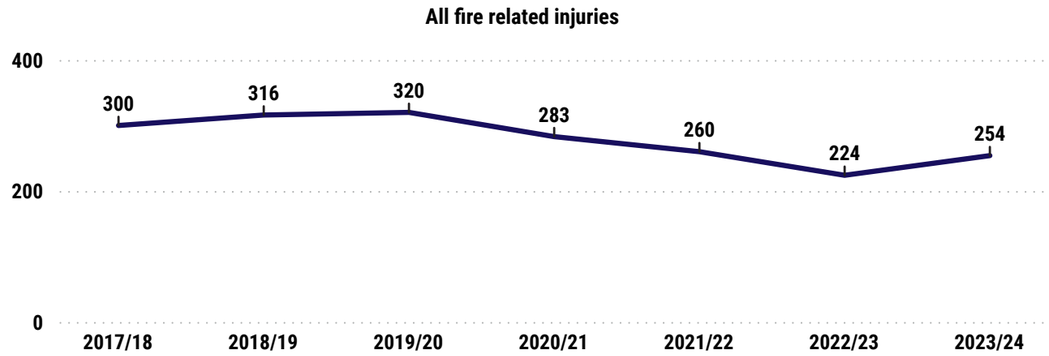
All fire incident injuries and fatalities

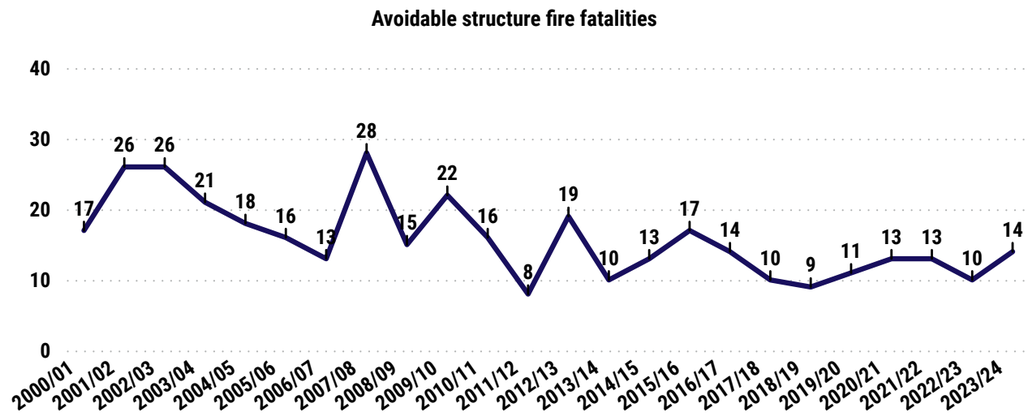
We collect data on injuries to the public that occur during fire incidents. These injuries relate only to incidents that we attend.

We work closely with our emergency service partners Hato Hone St John and Wellington Free Ambulance to ensure that members of the public injured by fire receive appropriate treatment, whether that be treating the injured person at the scene or requesting an ambulance to provide medical care.

We cannot directly control or influence the occurrence of all fire related injuries or fatalities, but we know that many of the activities we undertake, including prevention, education and response, can reduce the likelihood of harmful outcomes. Tracking the occurrence of the injuries and fatalities that we record in our systems helps us to monitor trends.

Every life claimed by fire is a profound tragedy. When an avoidable fatality occurs at a fire incident, it is referred to the coroner. Our data may change as a result of coronial findings. Welfare support is offered to our attending firefighters. There has been a positive downward trend in avoidable structure fire fatalities since 2000/01.





Tauākī Tutukinga Mahi mō te mutunga tau 30 o Hune 2024

Statement of Performance for the year ended 30 June 2024

Our 2023/24 Statement of Performance Expectations (SPE) and 2023 — 2027 Statement of Intent (SOI) outline our strategic direction and priorities.

The SPE sets out our non-financial and financial performance targets for the year ending 30 June 2024. This Annual Report evaluates our performance against these targets for the year ending 30 June 2024.

This Annual Report adheres to the requirements of the Crown Entities Act 2004 including compliance with New Zealand's Generally Accepted Accounting Practice (NZ GAAP) and the Service Performance Reporting Standard (PBE FRS 48).

Output class reporting for the year ended 30 June 2024 details the revenue and expenditure allocated to each of our reportable outputs compared with budget in the 2023/24 SPE. Our reportable outputs align to our functions as outlined in the Fire and Emergency New Zealand Act 2017. This Annual Report shows how the work we do in these output classes contributes to our long term outcomes.

Statement of responsibility

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

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

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

In our opinion these financial statements and statement of performance fairly reflect the financial position and operation of Fire and Emergency New Zealand for the year ended 30 June 2024.

For and on behalf of the Board:

Rebecca Keoghan, MNZM
Chair

Danny Tuato'o
Deputy Chair

31 October 2024

Fewer unwanted fires
We promote fire safety across Aotearoa New Zealand to help stop fires from occurring

Reduced harm to people, property and the environment from fires and emergencies
We respond quickly when communities need us, to prevent and limit damage

Our reportable output classes

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)	Respond to other emergencies, including medical, maritime, other rescues and natural hazard events
1.1 Promote fire safety **1.2** Provide fire prevention services **1.3** Assist in setting fire safety standards and granting certificates or approvals **1.4** Ensure compliance with standards through monitoring and enforcement	**2.1** Response to fire	**3.1** Response to hazardous substances incidents **3.2** Assist in promoting the safe use of hazardous substances	**4.1** Response to transport accidents **4.2** Provide urban search and rescue (USAR) services	**5.1** Assist in responding to medical emergencies **5.2** Assist in responding to other (non-medical-related) emergencies **5.3** Assist in responding to non-transport related rescue incidents

For each output class we describe:

- What we want to achieve
- Why this is important
- What we do to deliver
- Our investment in this output class.

Our output measures include:

- Why each measure is important
- What is intended to be achieved over time (targets)
- Measurement mechanism we use.

Additional measures we report against are:

- SPE milestone measures – Organisational health and capability
- Selected non-departmental appropriations in Vote Internal Affairs.[6]

6 Vote Internal Affairs is administered by the Department of Internal Affairs.

Whakapuakanga Whakataunga
Disclosure of judgements

Selection of performance measures

Our approach to our performance measures shows the direct link between our daily work and the long-term outcomes we are working to achieve. We have chosen our measures to show how we are making a difference for Aotearoa New Zealand.

In selecting these measures, we considered:

- the activities we undertake for each output class. We include these at the beginning of each section
- why we undertake these activities and how they help make a difference for communities
- how we demonstrate fiscal responsibility in undertaking our activities and functions. This commitment to fiscal responsibility ensures that our resources are used efficiently and effectively, providing the best service to our communities
- the most effective measurement mechanisms currently available, with ongoing improvements in our multi-year performance measurement process.

We have primarily used quantitative measures, such as response times, to help show that our actions were effective this year. As part of our multi-year improvement approach, we will review our suite of performance measures.

Fire prevention measures

Our fire prevention measures, which encompass fire safety promotion, compliance, and enforcement, assess the impact of our risk reduction initiatives. These quantitative output measures gauge the level of preparedness among New Zealanders in the event of a fire in their home.

Response time measures

Our response time measures indicate the timeliness at which we arrive at incidents after receiving a call. These metrics, which are standard in fire services worldwide, show how quickly we attend when incidents happen. For many incident types, there is a correlation between early arrival and intervention and a more positive outcome for communities, such as reduction in harm or damage. Monitoring response times also allows us to identify when changes in environmental conditions, such as infrastructure developments or urban expansion, start affecting our service delivery.

It is important to consider response time as part of a broader set of factors influencing incident outcomes. These factors include: the state of the fire when crews arrived, the effectiveness of our actions, fire risk reduction initiatives (like smoke alarms and escape planning), the location of the fire, the type of fuel involved (for example, a building or vegetation), climate factors such as wind speed, hot dry temperatures or rain, ease of access to the fire and proximity to water sources.

Disaggregation of performance measures

We break down our timeliness performance measures for responding to structure fires (output 2.1) and medical emergencies (output 5.1) into two groups – career firefighter crews and volunteer firefighter crews. We set different response times and targets for each group, as our volunteers are not based at a station 24/7, so they require additional time to reach the station before departing for the incident.

Our Communication Centre dispatch measures are divided into urban and rural, each with specific performance targets. These targets account for the varying complexities of dispatching incidents in urban versus rural settings, including the increased complexity of determining exact location of an incident in a rural environment.

For response to vegetation fires (output 2.1), hazardous substances incidents (output 3.1) and transport accidents (output 4.1) we maintain standardised performance measures. This approach ensures consistent expectations for our specialised resources across the country.

Our measurement methodology

Once an incident is logged, a report is automatically generated and assigned to the officer in charge for the first arriving appliance but can be assigned to another person if necessary. Following their attendance, the report undergoes review within our station management system (SMS) where it is updated with crucial information and comments. This updated SMS data forms the basis for our performance measurement outcomes.

When the nearest appliance is already called out elsewhere, the incident is redirected to another station, however the elapsed time does not stop. This means that a first arriving crew could arrive within the target response time based on when they were alerted, but by then the total elapsed time exceeds the performance target.

Our output measures for responding to structure fires and medical emergencies measure the number of these incidents that we respond to in urban environments. We use urban fire district boundaries to define what is included within an urban environment.

Removing 2022/23 performance measures for 2023/24

We have removed two 2022/23 performance measures from output class 1:

- **Measure 1.1.1**, which tracked the rate of recidivism among Fire Awareness and Intervention Programme participants, was removed to shift focus towards increasing referral numbers. Referrals have steadily declined in recent years. We conducted research to understand this decline, resulting in the relaunch of the programme with updated content and a new name. A new measure has been introduced for 2023/24 aimed at boosting programme referrals.
- **Measure 1.2.1**, which monitored the reduction in appliance movements to unwanted alarm events, was removed because initiatives supporting this measure have been postponed while we engage further with stakeholders.

New performance measures for 2023/24

We have introduced a new performance measure:

- **Measure 1.1.1** Ahikura Whānau-Centred Fire Education programme – participation uptake. This new measure is the first year of a three-year plan to boost referrals to our fire education programme. In response to feedback indicating low uptake and limited effectiveness, we have revitalised the programme taking effect from 2023/24 to increase referrals and enhance relevance to our audience.

Additional performance information 2023/24

We did not have formal performance measures in the 2023/24 financial year for:

- **Measure 1.2** Provide fire prevention services
- **Measure 1.4** Ensure compliance with standards through monitoring and enforcement
- **Measure 5.2** Assist in responding to a wide range of other types of (non-medical related) emergencies
- **Measure 5.3** Assist in responding to non-transport-related rescue incidents.

We have introduced measures for all reportable outputs in our 2024/25 Statement of Performance Expectations. We have included information in this Annual Report to explain our performance against these reportable outputs, despite not having a formal measure for them in 2023/24.

Impact of industrial action on results for 2022/23

We have identified where comparative results were affected by industrial action and subject to a qualified audit in the 2022/23 financial year. As part of the industrial action New Zealand Professional Firefighters Union (NZPFU) members did not perform non-operational duties for significant periods of the 2022/23 financial year.

This meant that incident response data was not recorded. As such, we received data when we attended an incident, but no detail as to what the incident entailed. We could not replace or replicate this information, which means performance data for some activities is limited.

This impacted the comparative data provided for measures:

- **Measure 2.1.1** Percentage of structure fires arrived at by career crews within 8 minutes
- **Measure 2.1.3** Percentage of vegetation fires arrived at within 30 minutes (anywhere in New Zealand)
- **Measure 3.1.1** Percentage of hazardous substances incidents arrived at by crews with specialist resources within 60 minutes
- **Measure 4.1.1** Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes
- **Measure 5.1.1** Percentage of career crews who respond to medical emergencies within 8 minutes.

Delivery of some activities such as Firewise (measure 1.1.2 and 1.1.3) and Home Fire Safety Visits (measure 1.1.6) were also impacted as brigades were not performing these duties, but the available data was not affected.

Putanga:
Kia iti noa ngā ahi ohorere

Outcome: Fewer unwanted fires

We promote fire safety across Aotearoa New Zealand to help stop fires from occurring.

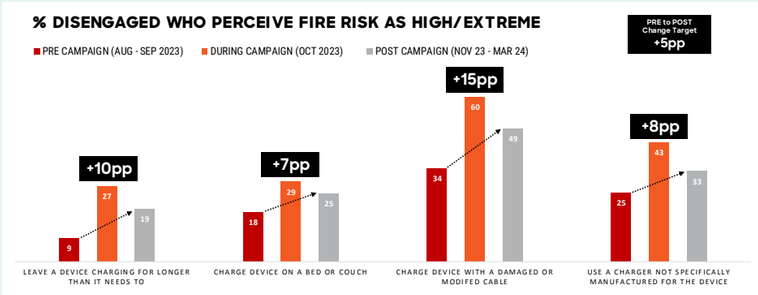
This section covers our work toward our long-term outcome of **fewer unwanted fires.**

This includes the work our people carry out daily delivering our **fire safety, fire prevention, compliance and enforcement** outputs.

The case study on the following page highlights one of our key initiatives from the 2023/24, demonstrating our progress towards this outcome and our strategic priority of **Delivering for Aotearoa.**

Raising awareness of emerging fire risks

Promoting fire safety is a proven and powerful tool to reduce risks and deliver on our long-term outcome of fewer unwanted fires. We run campaigns on known risks, for example, unattended cooking, but we also look at emerging risks too. With lithium-ion battery fire incidents on the rise in Aotearoa New Zealand and around the world, we took an education and prevention approach to help minimise the incidence of and harm from lithium-ion battery fires.



Marketing campaigns for fire safety and risk reduction are typically multi-year and work through a series of phases, the first being to raise awareness of the issue. In late 2023, we launched our first fire safety campaign to build awareness of the fire risk associated with charging lithium-ion devices.

Research shows that, currently, people don't associate charging their everyday lithium-ion powered items with fire, so this aspect of the campaign focused on establishing this link, especially among our target audience. We focused on four charging behaviours that increased fire risk for lithium-ion batteries: charging a device with a damaged or modified cable; using a charger not specifically manufactured for the device; charging a device on a bed or couch; and leaving a device charging longer than is needed.

The campaign used the established visual language of an attention-grabbing warning label to make people aware of the danger hidden in everyday items they are familiar with – scooters, vapes and e-bikes – if not charged correctly.

The campaign ran in October and November 2023, featuring on social and digital channels, across outdoor advertising sites like bus stops and street posters, as well as several item-specific locations, such as in petrol stations near the vaping products on sale. Our Community Readiness and Recovery teams have also been equipped with lithium-ion battery safety materials to share with their communities.

To look at the efficacy of our campaign we measured the number of people in our target audience who perceived the risk of fire from charging lithium-ion devices as high or extreme. The campaign was effective in reaching and shifting the attitudes of our primary target audience, exceeding our target to increase the perceived fire risk of four charging behaviours among our target audiences by five percentage points.

In the six months following the campaign, through to March 2024, the percentage of our target audience who perceive the fire risk to be high or extreme increased from:

- 34% pre campaign to 49% post the campaign for charging a device with a damaged or modified cable
- 25% pre campaign to 33% post the campaign for using a charger not specifically manufactured for the device
- 18% pre campaign to 25% post the campaign for charging a device on a bed or couch
- 9% pre campaign to 19% post the campaign for leaving a device charging longer than is needed.

The shifts in fire risk awareness achieved from this campaign have set a foundation for any future campaign tackling the threat of lithium-ion battery fires.

Fire prevention including promotion of fire safety, compliance and enforcement

Output class 1

We have a legislative responsibility to promote fire safety and provide fire prevention, response and suppression services.

The Fire and Emergency New Zealand Act 2017 (the Act) furnishes us with powers to carry out functions as a regulator in communities across Aotearoa New Zealand.

We are required to prepare fire plans, have powers to declare fire seasons, prohibit fires in the open air, restrict activities that could cause fires and we can require, grant or revoke fire permits.

We have inspection and enforcement powers, and the ability to require and approve various mechanisms, to keep buildings and people safe in the event of a fire. We have the ability to take prosecution action, or issue infringements, for non-compliance with our authority under the Act.

Why this is important

Raising awareness of the risk of fire and encouraging actions to reduce risk helps to keep communities safe.

Fire is an important land management tool and working with landowners helps to ensure it is used in a way that is safe and sustainable.

What we do to deliver this output

To achieve fewer unwanted fires, we take actions to:

- **1.1 Promote fire safety**
- **1.2 Provide fire prevention services**
- **1.3 Assist in setting fire safety standards and granting certificates or approvals**
- **1.4 Ensure compliance with standards through monitoring and enforcement.**

Selection of measures

We use a range of measures to show our performance in promoting fire prevention. These help us to show the activities that we are delivering, who we are delivering them to, and how they help make a difference.

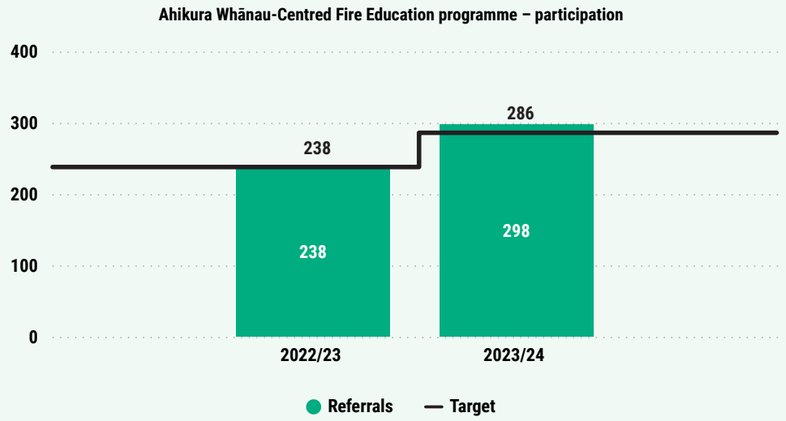
Our investment in fire safety, fire prevention, compliance and enforcement

	Levy receipts $000	Other revenue $000	Total income $000	Total expenditure $000	Net surplus/ (deficit) $000
Output class reporting					
1. Fire prevention including promotion of fire safety, compliance and enforcement	**79,216**	**6,860**	**86,076**	**91,471**	**(5,395)**
1.1 Promote fire safety	29,239	2,232	31,471	33,763	(2,292)
1.2 Provide fire prevention services	3,016	230	3,246	3,482	(236)
1.3 Assist in setting fire safety standards and granting certificates or approvals	42,303	4,042	46,345	48,848	(2,503)
1.4 Ensure compliance with standards through monitoring and enforcement	4,658	356	5,014	5,378	(364)

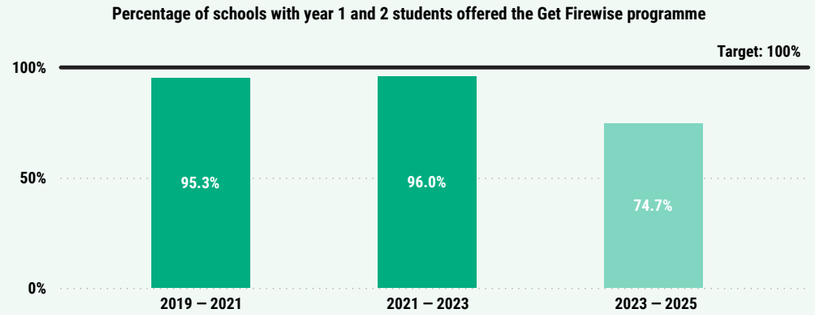
1.1 Promote fire safety

We promote fire safety through nationwide and local campaigns, educational programmes and advisory services. We aim to educate individuals about fire risks and encourage behaviour that minimises these risks. This year we have delivered:

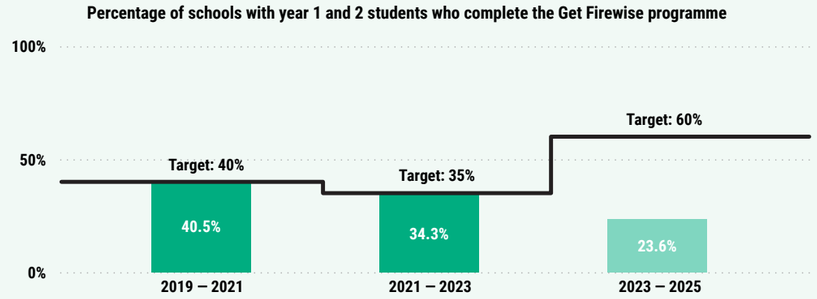
- **our Ahikura Whānau-Centred Fire Education programme**
- **our Get Firewise programme to schools with year 1 and 2 students**
- **awareness and behaviour change campaigns**
- **Home Fire Safety Visits.**

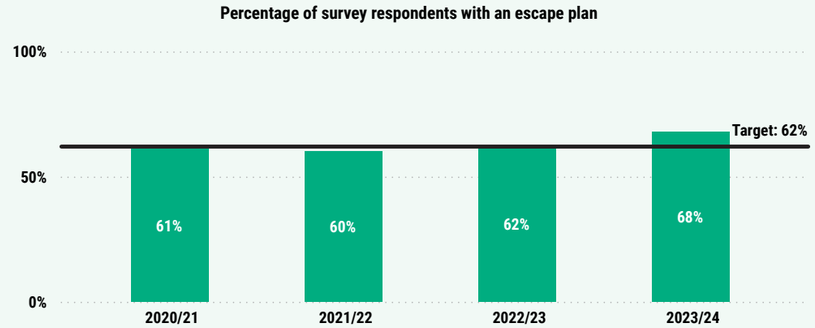
Measure 1.1.1	Ahikura Whānau-Centred Fire Education Programme – participation uptake[7]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	20% increase	25.2% increase	✓	Not applicable as this is a new measure in 2023/24
Why this measure is important	Ahikura is an early intervention fire education programme designed to decrease risky fire behaviour in children and young people. The programme takes an educational approach with tailored content based on age, cultural background, past behaviour and learning abilities. This measure focuses on participation in our programme as part of a three-year plan to boost referrals. Once the programme is embedded, we will look to return to an effectiveness measure for this programme.			
Our performance	 In 2022/23 we introduced Ahikura after refreshing our previous programme. In 2023/24 we focussed on working with our stakeholders to increase referral numbers. Our target was to receive 286 referrals to the programme in 2023/24. This was a 20% increase on the 238 referrals in the 2022/23 financial year. We exceeded the target with 298 referrals over the year. We are aiming to increase this by a further 20% in 2024/25.			

7 We sought to increase the previous year's (2022/23) referral numbers by 20% in 2023/24.

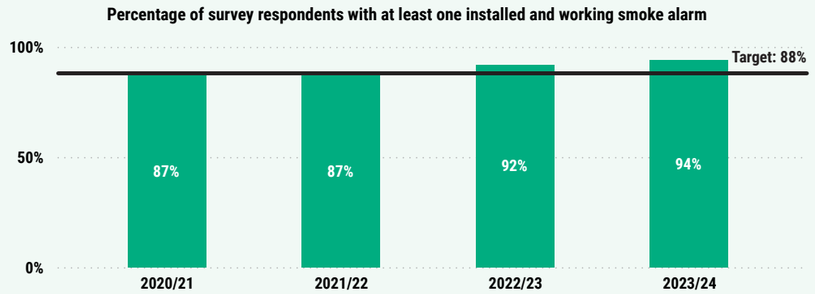
Measure 1.1.2	Percentage of schools with year 1 and 2 students offered the Get Firewise Programme[8]			
Result	**The result for this measure will be reported in the 2024/25 Annual Report.**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	100% by 30 June 2025	74.7%	Not applicable. First year of a two-year cycle	96%
Why this measure is important	Get Firewise is a programme we offer to schools to focus on the essential knowledge that our youngest school students need to keep themselves safe from fire. Get Firewise is designed to be taught in the classroom. It has a strong literacy focus with a range of activities in the learning areas of health and physical education, English, social science, mathematics and the arts. The programme can be taught as a major term topic, or a short two-week focus topic. A Get Firewise resource kit contains a teachers' guide and a number of classroom resources. Each student gets an activity book for the whole family to learn about fire-safety. By engaging all 2,003 schools across the country and encouraging them to participate in the Get Firewise programme, we take the opportunity to promote important fire-safe behaviours to all students (and their families) across Aotearoa New Zealand from an early age.			
Our performance	 At 30 June 2024 we were halfway through the current two-year period for this measure. At this halfway point, we would have expected to have offered the Get Firewise Programme to 50% of schools with year 1 and 2 students. We have exceeded this expectation, having offered the programme to 74.7% of schools. We are on track to offer all schools the programme by 30 June 2025.			

8 Schools are offered the programme by a variety of means, including via phone, e-mail and school visits. Every school that is offered the programme is recorded in our station management systems.

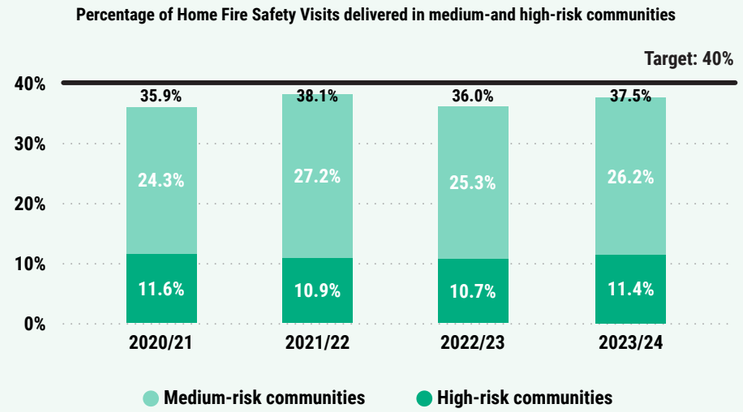
Measure 1.1.3	Percentage of schools with year 1 and 2 students who complete the Get Firewise Programme			
Result	**The result for this measure will be reported in the 2024/25 Annual Report.**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	60% by 30 June 2025	23.6%	Not applicable. First year of a two-year cycle	34.3%
Why this measure is important	This measure assesses the uptake and completion of our Get Firewise programme. We offer this programme to all schools with year 1 and 2 students over a two-year period. By recording the number of schools participating in the programme, we can estimate how many year 1 and 2 students have benefited from this crucial fire safety initiative and learned important fire-safe behaviours.			
Our performance	 At 30 June 2024 we were halfway through the two-year period this measure covers. At this point, fewer than 30% of schools have completed the programme. This result means that we are not where we would expect to be to meet this target by 30 June 2025. Uptake of this programme is a balance between our efforts to promote it and the ability of schools to deliver the programme within their capacity across the reporting period. The current target for this measure is to have 60% of schools complete the programme during the 2023/24 and 2024/25 financial years. In previous reporting cycles the target was adjusted as schools were unable to complete the programme due to the impacts of COVID-19 and the operating context during firefighter industrial action.			

Measure 1.1.4	Percentage of survey respondents with an escape plan[9]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	62%	68%	✓	62%
Why this measure is important	An escape plan is a plan to ensure that everyone who lives in a property knows the best ways to get out of the property in the event of a fire. We encourage households to have an escape plan by promoting escape plans and offering online tools for creating escape plans at www.escapemyhouse.co.nz. Establishing and regularly practicing an escape plan enhances fire safety awareness among households and encourages households to take proactive measures to minimise risks to life if a fire were to break out in their home. We monitor the uptake of escape plans through surveys to determine how many respondents report that they have an escape plan. This measure counts the number of survey respondents who report having a household escape plan as a proportion of all survey respondents.			
Our performance	 In 2023/24 we met and exceeded our target of 62% survey respondents reporting that they had an escape plan. We undertook the following activities to promote escape planning, which we believe contributed to the uptake of escape plans: • our "Museum of Fires Past" campaign to encourage escape plans and smoke alarms • our three step (install smoke alarms in every bedroom, hallway and living area/plan two ways out/ agree a safe meeting point) refreshed smoke alarm messaging emphasising the importance of having the 3-step escape plan to ensure household members are ready to survive a house fire • staging a controlled house fire, broadcast live on television and reaching over 700,000 viewers, to show Aotearoa New Zealand the dangers of risky behaviour to show how quickly fire can spread • use of high profile public events and our Home Fire Safety Visits, to create a focus for the public on the importance of completing online escape plans.			

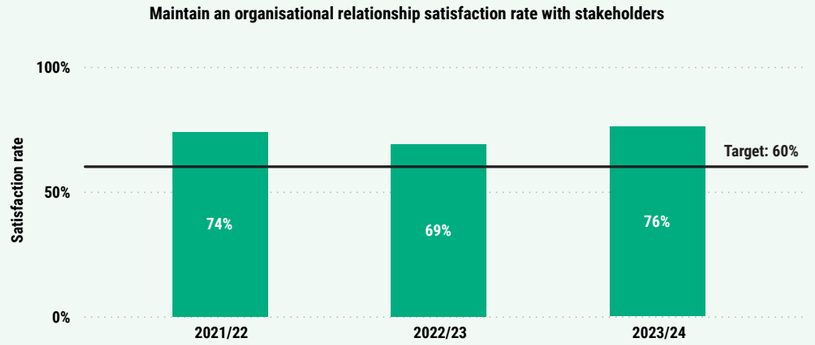
9 Verian (formerly Kantar Public) manage the survey. The survey reaches a nationally representative sample of respondents. The survey asks 'Do you have an escape plan for your household if a fire occurs?'

Measure 1.1.5	Percentage of survey respondents with at least one installed and working smoke alarm[10]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	88%	94%	✓	92%
Why this measure is important	Having at least one installed, working smoke alarm in each home shows that households in Aotearoa New Zealand are taking action to improve fire safety and provides early warning if a fire breaks out in their home. We monitor this measure through a survey that asks households if they have at least one installed and working smoke alarm. This measure counts the number of survey respondents who report having at least one installed and working smoke alarm as a proportion of all survey respondents			
Our performance	 In 2023/24 we met and exceeded our target of 88% of survey respondents with at least one installed and working smoke alarm. We achieved this result through various activities, including effective behaviour change campaigns aimed at a targeted audience over daylight saving start and end periods. These behaviour change campaigns include "Museum of Fires Past" to encourage escape plans and smoke alarms, and our refreshed 3-step (install smoke alarms in every bedroom, hallway and living area/plan two ways out/agree a safe meeting point) smoke alarm campaign. Our emphasis has been on ensuring smoke alarms are installed in every bedroom, hallway, and living area to provide an early warning. Beyond our campaign periods, we have consistently communicated this message through our proactive use of media, social media channels and during our Home Fire Safety Visits.			

10 The external survey by Verian (formerly Kantar Public) asks 'Do you have at least one smoke alarm installed in your house? If yes, are your smoke alarms working?'

Measure 1.1.6	Percentage of Home Fire Safety Visits delivered in medium- and high-risk communities[11]			
Result	**Not Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	40%	37.5%	✗	36.0%
Why this measure is important	A Home Fire Safety Visit (HFSV) is a free service we provide for anyone who would like fire safety advice to reduce the risk of fires in their home. At each HFSV we will talk through an escape plan for the home, help identify the biggest fire risks in the home, check existing smoke alarms, replace faulty alarms and install new ones. HFSVs are globally recognised for their effectiveness in reducing fire-related injuries and fatalities. Communities at higher risk, often more vulnerable to fire hazards, stand to benefit the most from HFSVs. We focus on delivering HFSVs to medium-and high-risk communities. We assess risk based on population density, housing quality, type, location and specific demographics such as whether there are elderly or young residents.			
Our context	Every year we carry out between **8,000 and 15,000 HFSVs.** In 2023/24 we carried out **12,726** HFSVs.			
Our performance	 We did not meet our target of 40% of HFSVs delivered in medium and high-risk communities. In 2023/24 we used the Safer New Zealand index to decide where to deliver HFSVs. This index looks at the demographic profile of a community and the number of historical structure fires in the area to determine if an area is low, medium, or high risk. Our analysis has found that this method does not work well for determining risk in rural communities. These communities might have a high-risk demographic profile, but fewer structure fires than cities and towns, so the index does not identify them as needing to be targeted for HFSVs. This means that many HFSVs in rural areas are not reported as being delivered in high-risk communities. During the 2023/24 financial year, we improved our HFSV programme. A significant improvement, which will come into effect in 2024/25, is using the At-Risk Communities index to assess risk levels. This index identifies communities based on their demographic profile but does not consider the number of structure fires that have historically occurred in the area. This helps avoid the bias against rural and isolated communities. This will provide a more accurate representation of community risk and acknowledges the important fire safety work undertaken in rural and isolated communities.			

11 Medium- and high-risk as designated on Smart Risk – an application that allows 'at-risk' groups, identified in our 'Safer New Zealand plan', to be shown on an interactive map.

Measure 1.1.7	Maintain an organisational relationship satisfaction rate with stakeholders[12]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	60%	76%	✓	69%
Why this measure is important	We work closely with other agencies to respond to fires and emergencies when they happen in our communities. We work closely with local councils, the Department of Conservation, Hato Hone St John, the National Emergency Management Agency, New Zealand Police and associations such as the New Zealand Forest Owners Association. Maintaining strong relationships with these stakeholders contributes to effective service delivery and fire risk reduction. This measure helps us assess how external stakeholders perceive our services. Strong partnerships with emergency services and stakeholders are essential for coordinated service delivery and successful fire risk reduction. While this measure primarily reflects our efforts to enhance relationships with stakeholders, it also broadly contributes to achieving our outcomes of reducing the risk of fires and emergencies and limiting damage when they do happen.			
Tracking performance	 The annual stakeholder survey, completed in quarter four 2023/24, shows that 76% of stakeholders are satisfied with their organisation's relationship with us, which exceeds our target. Satisfaction levels have improved since 2022/23, when 69% of stakeholders were satisfied with their current relationship.			

12 The external survey by Verian (formerly Kantar Public) asks 'How satisfied or dissatisfied are you with the current relationship your organisation has with Fire and Emergency New Zealand?

1.2 Provide fire prevention services

We provide a range of technical fire prevention services which are designed to stop fires from occurring and contribute to limiting the damage if fires do occur. These services include, but are not limited to:

- ensuring compliance with standards through monitoring and enforcement
- providing fire engineering and technical fire safety advice on building design to government, industry and councils, and advising other regulatory agencies about fire safety compliance
- approving fire alarm panels and hose run distances and providing firefighting facility checklists
- providing operational firefighting feedback including active and passive fire systems, and review, input, advice and comment on building design and firefighting systems
- providing advice on Firefighting Water Supplies and Code of Practice Water Supply matters
- completion of Site Reports and reviewing Emergency Response Plans
- agreement for pyrotechnic displays (indoors and outdoors).

We do not have a measure for output 1.2 in our SPE for 2023/24, however we do for 2024/25. We have chosen to provide some qualitative information to demonstrate our performance for output 1.2 in this report.

Output 1.2	Provide fire prevention services
What we have done in 2023/24	We continue to promote and enforce compliance with evacuation scheme regulations, focussing our efforts on accommodation for vulnerable or transient people which have been deemed to be at the highest risk of fire. We partnered with the Ministry of Business, Innovation and Employment (MBIE) and local councils on Operation Magazine, a cross-agency initiative to drive fire safety and compliance in short-term accommodation. We continue to work with social and housing agencies to drive compliance in the housing they provide or support, and our district risk reduction teams work at a community level to identify and engage with high-risk building owners to drive compliance. Buildings captured by the operation have had an increase in compliance of 25% in the past 6 months and the work with emergency and transition accommodation buildings has seen an increase in compliance of 23% in the past twelve months. As well as driving compliance through education, we are refining our processes for initiating compliance action and where required will apply to the District Court to have buildings closed. In August 2023 Fire and Emergency launched a new platform for applying, approving and maintaining evacuation schemes that is used by the public, industry and our own people. The platform is now working well with processing times for evacuation schemes well inside our statutory timeframes of 20 working days.

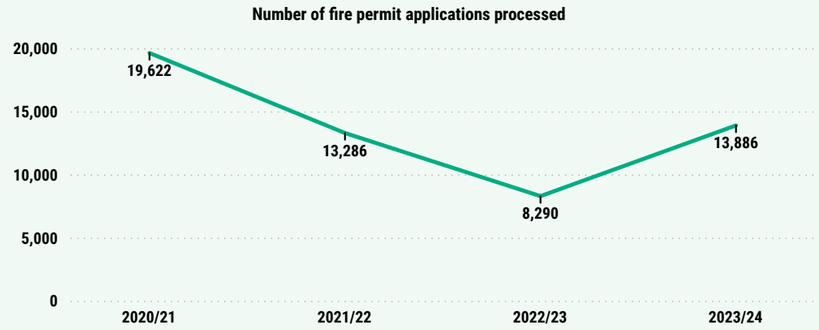
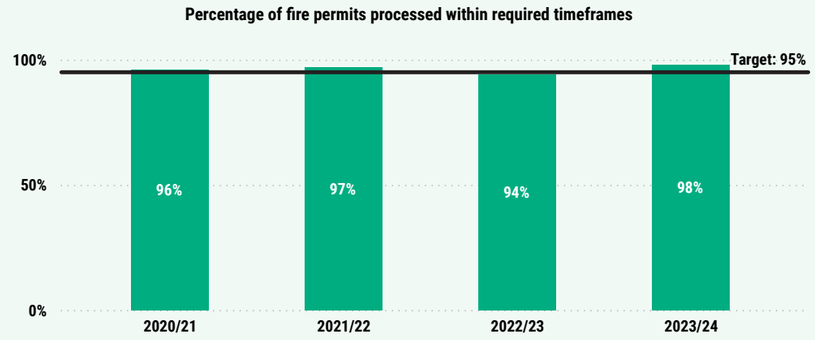
1.3 Assist in setting fire safety standards, and granting certificates or approvals

We provide professional advice and input to the development of codes and regulations associated with fire protection and safety. Our responsibilities include:

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

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

- advising building consent applications covering the means of escape from fire and our needs regarding entering buildings to undertake firefighting for certain types of buildings
- approving and monitoring fire evacuation schemes
- advising other regulatory agencies about fire safety compliance.

Measure 1.3.1	Percentage of fire permits processed within required time frames[13]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	Greater than 95%	98%	✓	94%
Why this measure is important	We administer a fire permitting system under section 190 of the Fire and Emergency New Zealand Act 2017 and the Fire and Emergency New Zealand (Fire Permits) Regulations 2017. The fire permitting system allows us to control the lighting of fires in open areas. It gives us the power to ensure these fires are conducted safely and not started during a restricted or prohibited fire season. Every year, we process between 8,000 and 20,000 fire permit applications. In 2023/24, we processed 13,886 permits. This measure is designed to show how effective we are in administering the fire permitting system within designated timeframes. Timely approval of fire permits promotes safer outdoor fires, and may also encourage more fire permit applications due to increased confidence in our systems, thereby lowering the incidence of unwanted fires. An efficient, customer-focused permitting system delivered promptly, also enhances public confidence.			
Our context				
Our performance	 We met and exceeded our target for this measure by processing more than 95% of this reporting year's 13,886 fire permits within the required timeframes.			

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

1.4 Ensure compliance with standards through monitoring and enforcement

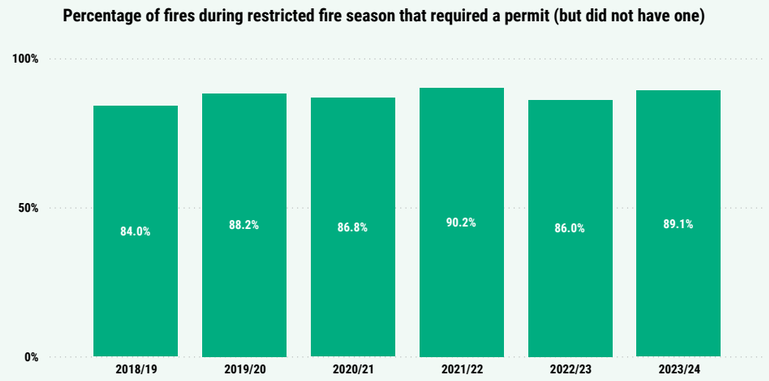
We have a compliance and enforcement role in standard setting, with offence provisions in cases of non-compliance. Examples of non-compliance include:

- lighting a fire in the open air when it is prohibited or restricted to do so
- failure to provide a fire permit
- failure to provide or maintain an evacuation scheme for a relevant building.

As a regulator, we use our compliance powers where:

- education fails
- an individual or organisation continues operating outside of the law, putting others at risk
- the offending is serious.

We do not have a measure for output 1.4 in our SPE for 2023/24, however we do for 2024/25. We have chosen to use our 2024/25 measure 'Percentage of fires during restricted fire season that required a permit (but did not have one)' measure to report on our performance for output 1.4 in 2023/24.

2023/24 Performance Information	Percentage of fires during restricted fire season that required a permit (but did not have one)[14]
Why we have chosen to include this information	Open fires started without a permit during a restricted fire season contribute to as much as 20% of all wildfires. Wildfires are defined as uncontrolled vegetation fires. Certain fires initiated during a restricted season do not need a fire permit if we deem they are exempt from open-air burning regulations. This includes gas-operated barbecues, braziers, wood-fired pizza ovens, outdoor fireplaces, and cultural cooking fires. All other types of fires require a permit during a restricted fire season. This information helps us understand the effectiveness of actions we take to mitigate fire danger. These include public notifications, national publicity campaigns, education, permit systems and enforcement provisions of the Fire and Emergency (Offences) Regulations 2018 during declared restricted fire seasons.
Our performance	 Every year around 700 to 1,500 vegetation fires occur during the restricted fire season, which require a permit. This year, 746 vegetation fires required a permit. Of these, 81 vegetation fires (10.8%) had a permit. This means that 665 vegetation fires that required a permit did not have a permit. To reduce this number, we continue to promote fire safety education, as part of our risk reduction work.

14 The non-reporting of incident data due to the administrative aspect of industrial action affected the comparative 2022/23 data for this performance information.

Putanga:
Kia iti te kino ki te tangata, ngā rawa me te taiao mai i ngā ahi me ngā ohotata

Outcome: Reduced harm to people, property and the environment from fires and emergencies

We respond quickly when communities need us, to prevent and limit damage.

This section covers our work toward our long-term outcome of **reduced harm to people, property and the environment from fires and emergencies.**

This includes the work our people carry out daily across our **fire response, hazardous substances response, rescue, USAR and other emergencies** outputs.

The case study on the following page highlights one of our key responses in 2023/24, demonstrating our progress towards this outcome and our strategic priority of **Delivering for Aotearoa**.

Image credit: George Heard

Responding to wildfire – our response to the Port Hills fire

On Valentine's Day 2024 a vegetation fire spread rapidly across Christchurch's Port Hills, consuming bone-dry vegetation and fanned by hot winds – in full view of 400,000 residents.

This was a fast-moving event, which escalated quickly. The fire was reported about 2.15pm on 14 February 2024. Within four hours over 100 homes had been evacuated and both Christchurch City and Selwyn District had declared local states of emergency. The Region Coordination Centre was fully activated to manage resource requests, coordinate the response and anchor the liaison with key stakeholders.

Over the last few years there has been an emphasis on building community resilience to fire in the area. The community is placed squarely at the heart of our mahi which has helped us earn the community's confidence and trust.

Firefighters from 44 brigades, an intense aerial attack and heavy machinery were deployed, and the fire was contained to an estimated 500 hectares within a 24km perimeter after three days. At the height of firefighting operations, 12 helicopters and 2 fixed wing aircraft, up to 23 appliances and 130 firefighters were on the fireground. Most evacuated residents were able to return home on 16 February. The state of emergency ended after one week and the fire was fully extinguished in three weeks. One dwelling was destroyed. Other assets and critical infrastructure on the Port Hills were saved.

A number of response protocols had been put in place for large scale incidents. These included an escalated response protocol for vegetation fires during periods of very high fire danger, which enabled additional resources to be deployed immediately. In addition, inter-agency liaison began right away and the change of lead agency from fire to Civil Defence was seamless when the state of emergency was declared. Cordons were managed consistently and the public information management effort was scaled up swiftly and included deploying our mobile community hub to support evacuated residents, with daily briefings for evacuees until they were able to return home.

There were new innovative elements that helped make the response more effective. For example, drones with thermal imaging equipment were used nightly to map hotspots on the fireground. Another innovation was the use of crowdsourcing to help fire investigators get visual evidence of the early development of the fire. We invited people with photographs or footage of the Port Hills taken between 1.45pm and 2.45pm to email them to us and received hundreds of images and video files in response.

The Port Hills incident was part of a difficult wildfire season in Canterbury, with concurrent incidents that stretched our firefighters and incident management teams. Our public information activities included advice for property owners and residents on how to be prepared for wildfires and avoid activities that might spark another blaze.

While our firefighters provided the backbone of the Port Hills response, we also acknowledge the commitment of our other personnel to sustaining this long-duration event, such as, the specialist drone team, incident management team members, specialist fire investigators and the skills and expertise of our partner agencies.

Fire response and suppression

Output class 2

One of our main functions under the Act is to provide fire response and suppression. When alerted to a fire, we deploy skilled personnel and specialised equipment to extinguish or contain it. Our actions in providing these services help save lives, minimise injuries, and mitigate damage to property and the environment.

As the national response agency for fire, we are authorised to assume command at fire scenes. We have the power to employ all practical measures to suppress fires, including entering land and buildings, dismantling or reinforcing structures, and removing hazardous materials from the site. We can clear or remove vegetation and, if needed, conduct controlled burns to create firebreaks.

Our aim is to deliver prompt and efficient fire response and suppression services that follow good practice, maintain a sustainable operational footprint, keep our people safe and collaborate effectively with partners and stakeholders.

Why this is important

The time taken for our crews to arrive at incidents and suppress a fire can have an influence on minimising social, economic, and environmental impacts from fires. For structure fires we want to contain or limit the damage as much as possible. For vegetation fires we want to limit the geographic area impacted by the spread of fire.

How we respond to fires influences:

- how well we minimise social, economic, and environmental impacts from fire
- how well affected communities recover from fires
- how much communities value and trust our services.

What we do to deliver this output

To minimise social, economic, and environmental impacts from fire incidents we undertake the following:

2.1 Response to fire

This includes:

- responding to structure fires
- responding to vegetation fires
- maintaining the capability of our Regional Coordination Centres and Incident Management Teams to respond to a range of emergencies
- working closely and communicating well with communities when fires happen
- supporting other emergency sector partners to respond to international wildfires.

To ensure we are ready to respond 24/7, every day of the year, we invest in several key areas:

- maintaining and ensuring the readiness of our fleet of fire trucks and vehicles
- equipping our firefighters with appropriate tools for safe and effective operations
- ensuring our technology and communication systems function reliably during emergencies
- providing comprehensive support to frontline personnel to safeguard their health, safety and well-being in hazardous environments
- ensuring our firefighters receive the training they need to respond safely and effectively.

Our investment in response to fire

	Levy receipts $000	Other revenue $000	Total income $000	Total expenditure $000	Net surplus/ (deficit) $000
Output class reporting					
2. Fire response and suppression	**478,868**	**14,383**	**493,251**	**552,954**	**(59,703)**
2.1 Response to fire	478,868	14,383	493,251	552,954	(59,703)

2.1 Response to fire

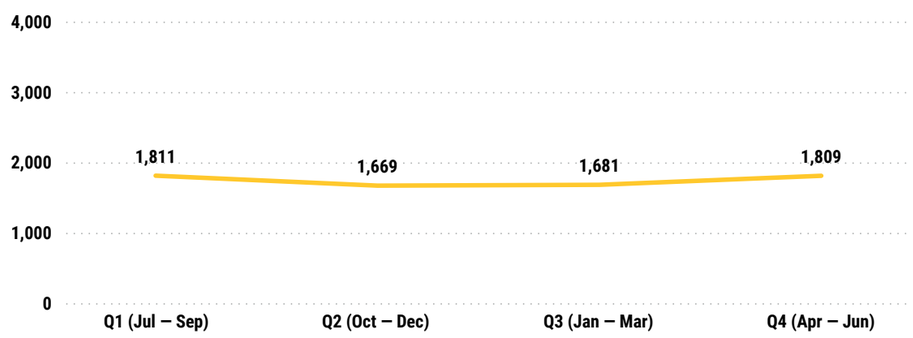
Every year we attend between 4,500 and 6,000 structure fires. During 2023/24, our career and volunteer crews attended 4,995 structure fires, which averages to just under 14 structure fires per day across the country. The number of structure fires we attended in the reporting year is higher than the number we recorded for the previous two financial years, noting that both those previous years were impacted by the COVID-19 lockdowns and industrial action. The administrative part of the industrial action meant that we received data when we attended an incident, but no detail as to what the incident entailed.

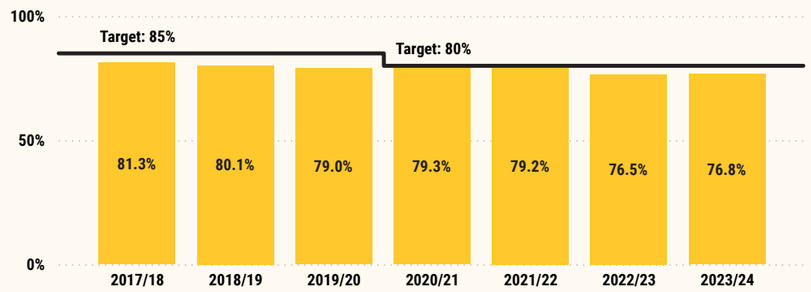
Our national service delivery guidelines provide communities with our expected response capability for response to fires. These guidelines provide targets to ensure we deploy resources to enable us to arrive as soon as practicable, to provide fire response and suppression.

Seasonality of structure fires

The graph below shows on average we attend more structure fires in quarters one and four. This is during the winter months where, every year as temperatures drop, we see a significant increase in the number of structure fires. The majority of these are caused by or related to the increased use of heat sources in winter, such as heaters, chimneys, ash disposal, electric blankets and dryers.

Average number of structure fires attended by quarter (2017/18 – 2023/24)



Measure 2.1.1	Percentage of structure[15] fires arrived at by career crews within 8 minutes			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual[16]**
	80%	76.8%	✗	76.5%
Why this measure is important	Response time measures are one of a number of variables that can influence the outcome of a fire and are used by fire services globally. Response time measures help us understand our current ability to attend incidents in a timely manner. This can provide insight into how we might do things differently, to ensure appropriate response times and influence delivery of risk reduction initiatives for a given community. This measure indicates the timeliness of the first responding appliance to arrive at a structure fire in urban environments, when that appliance has a career firefighter crew. Response times are an important mitigation measure. The assumption is that faster response and intervention means less fire damage and reduced likelihood of death or injury. This contributes to our outcome of minimising the consequences of unwanted fires and the impacts of reducing injuries, fatalities and damage from fires. This does not measure the effectiveness of our actions upon arrival or the development of a fire before we were called.			
Our context	Each year, there are around 3,000 structure fires in urban environments where the first crew to arrive is a career firefighter crew. In 2023/24, career firefighter crews were the first to arrive at 2,880 structure fires (an average of nearly 8 structure fires a day).			
Our performance	**Percentage of structure fires arrived at by career crews within 8 minutes**  In 2020/21 we recognised that there were ongoing challenges in achieving timely response in some locations and for certain call types. Adjusting the historic target, while retaining the importance of the time based element of this measure, brings transparency to the challenges we face when responding in certain areas. We support our response with public risk reduction messaging. In 2023/24, our first responding career crews arrived at 76.8% (2,211 incidents) of structure fires within 8 minutes and 80% of incidents within 8 minutes 16 seconds. Various factors that are outside our direct control impact our response times, which make it very difficult to meet response time targets. Depending on the locality, factors such as traffic and road conditions, traffic calming measures and urban footprint expansion may play a part. We are focusing on improving the time taken from initial call to when we leave the station. This will help us to improve our overall response times.			

15 Structure fires within urban environments.

16 This result was affected by industrial action and was subject to a qualified audit. Non-reporting of incident data due to the administrative aspect of industrial action impacted 2022/23 performance data for this measure.

Measure 2.1.2	Percentage of structure[17] fires arrived at by volunteer crews within 11 minutes			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	85%	79.8%	✗	80.4%

Why this measure is important

Response time measures are one of a number of variables that can influence the outcome of a fire and are used by fire services globally. Response time measures help us understand our current ability to attend incidents in a timely manner. This can provide insight into how we might do things differently to ensure appropriate response times and influence delivery of risk reduction initiatives for a given community.

This measure indicates the timeliness of the first responding appliance to arrive at a structure fire in urban environments, when that appliance has a volunteer crew. In most cases these crews are not on station when a call out is received.

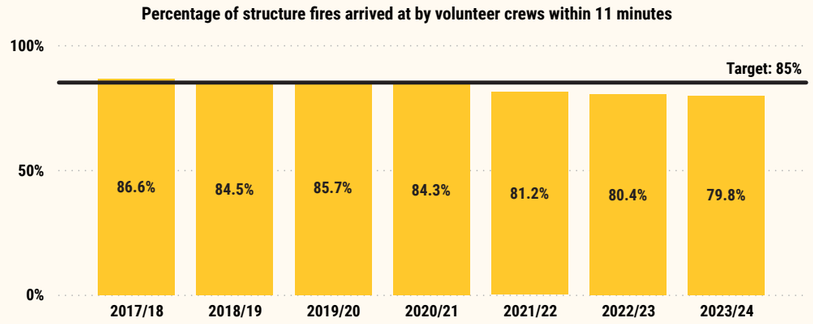
Response times are an important mitigation measure. The assumption being that faster response and intervention means less fire damage and reduced likelihood of death or injury. This contributes to our outcome of reducing the consequences of unwanted fires and the impacts of reducing injuries, fatalities and damage from fires.

This does not measure the effectiveness of our actions upon arrival or the extent of a fire before we were called.

Our context

Each year, we attend more than 1,000 structure fires in urban environments when the first crew to arrive is a volunteer crew. In 2023/24 our volunteer crews were the first to arrive at 1,061 structure fires (an average of 3 structure fires a day).

Our performance



We did not meet the 85% target for this measure for 2023/24. Our volunteer crews arrived at 85% of incidents within 11 minutes 45 seconds. The time it is taking our volunteers to get to fire stations and crew appliances has increased in recent years. Many factors beyond our direct control affect our response times, making it challenging to meet our targets. Local conditions, such as traffic, road conditions, traffic calming measures, and urban expansion, all contribute to this issue. The availability of volunteer crews can also impact the timeliness of response.

17 Structure fires within urban environments.

Measure 2.1.3	Percentage of vegetation fires arrived at within 30 minutes (anywhere in NZ)			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual[18]**
	90%	94.6%	✓	94.1%

Why this measure is important

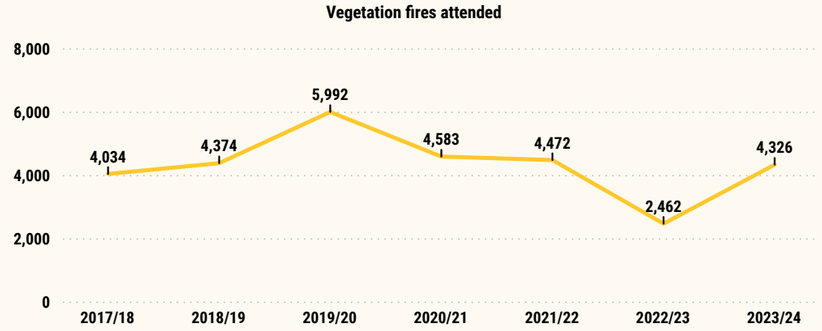
This measure provides insights into our crews' response times and arrival at vegetation fire sites.

This measure is valuable because response times are critical in mitigating fire risks. The underlying assumption is that quicker response and intervention leads to minimised fire damage and lower chances of fatalities or injuries. This, in turn, helps in reducing the overall impact of unwanted fires.

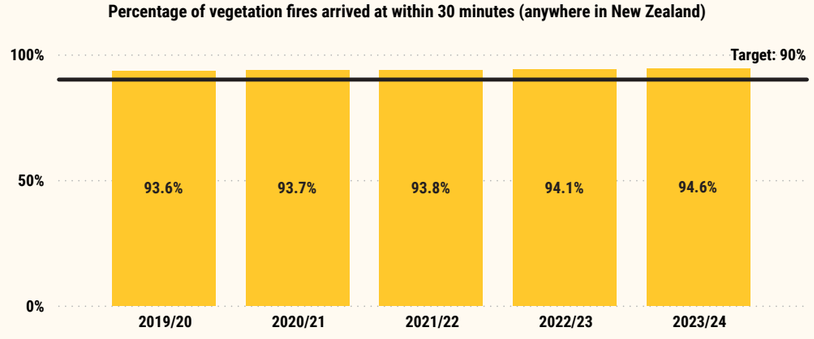
Our context

Vegetation fires may be controlled burns, permitted fires, and other small fires, as well as wildfires. Response time measures are one of a number of variables that can influence the outcome of a fire and are used by fire services globally. Response times can help us understand the way we have allocated resources, such as how our capabilities match the nature and type of resources we are called to.

Every year our crews attend between 4,000 and 5,000 vegetation fires. In 2019/20 prolonged drought in many areas and a fire season which extended into late autumn resulted in increased vegetation fires. In 2023/24 we attended 4,326 vegetation fires. On average, our crews attended 11 vegetation fire call outs a day with more incidents occurring around the summer months.



Our performance



We met and exceeded our performance measure of arriving at 90% of vegetation fires within 30 minutes, anywhere in Aotearoa New Zealand.

18 This result was affected by industrial action and was subject to a qualified audit. Non-reporting of incident data due to the administrative aspect of industrial action impacted 2022/23 performance data for this measure.

Measure 2.1.4	All regions to complete a simulation exercise[19]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	By 30 June 2024	5 out of 5 regions completed	✓	4 out of 5 regions completed

Why this measure is important

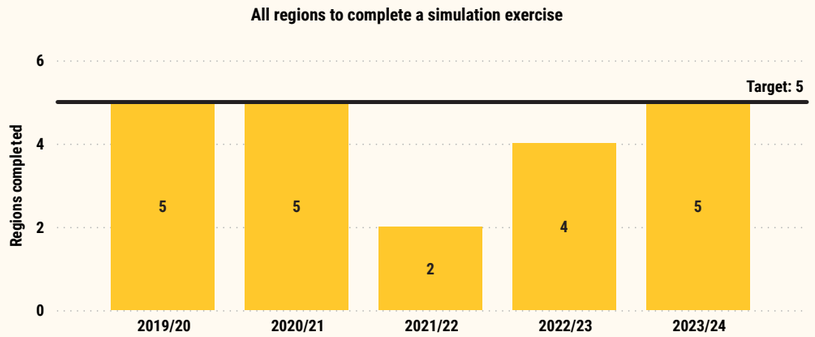
Our regions may be called upon to stand up the necessary procedures and to lead a significant and potentially multi-agency major response if one were to happen in their region. Our incident response personnel may also be deployed to support a major response happening anywhere in Aotearoa New Zealand, or an international request for assistance for a significant event overseas.

This measure is beneficial to use because it helps us understand the preparedness of our regions to plan for and respond to significant emergency events.

By undertaking an annual simulation exercise in each region, we enable each region, including our Region Coordination Centres and Incident Management Teams, to practice an emergency scenario (simulation) exercise. Completing this measure helps us determine the readiness of our personnel, processes, and practices across all regions and gives confidence that our regions are prepared to respond when emergencies do happen.

We adjusted this measure in 2021/22 year, removing the requirement for the simulation exercise to be a wildfire simulation, leaving regions to undertake a simulation exercise that is most relevant to their region and operating context.

Our performance



We achieved this measure in 2023/24 with all regions carrying out a simulation exercise.

Note that in 2019/20 and 2020/21 regions were to complete a simulation exercise that was specifically a wildfire simulation.

19 This measure is set to determine the readiness of our Regional Coordination Centres and Incident Management Teams to respond to a range of emergencies that are appropriate for the risks in their region. Completing the simulation training ensures confidence our teams are prepared for regional response types.

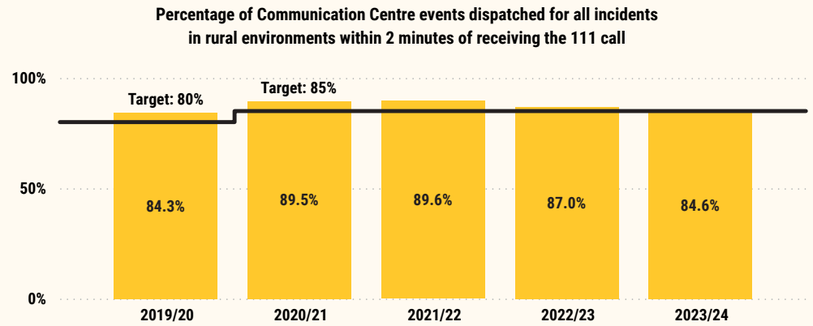
Measure 2.1.5	Percentage of Communication Centre[20] events dispatched for all incidents in rural environments within 2 minutes of receiving the 111 call			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	85%	84.6%	✗	87%

Why this measure is important

This measure indicates the timeliness of response in rural environments mostly serviced by our volunteer crews. There are different dispatch standards for rural and urban environments due to the increased complexity of determining the exact location of an incident in a rural environment.

This measure helps us understand the effectiveness of our Communication Centres in determining the nature of the emergency and getting the appropriate resources on the way to the incident as quickly as possible.

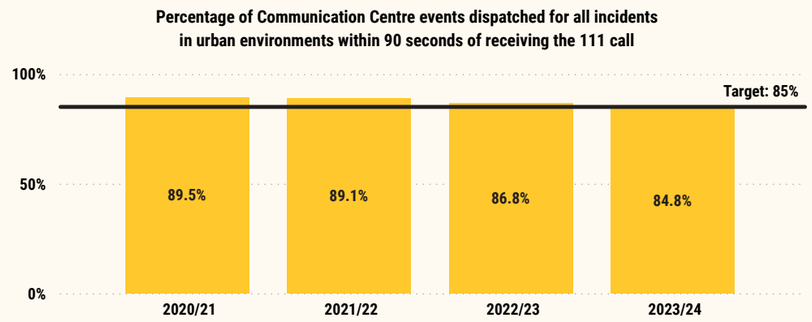
Our performance



We very narrowly missed meeting our 85% target. We have had some recent turnover in our Communication Centres, and our new personnel require substantial mentoring by current dispatchers as part of their training, which can impact performance. We expect our performance against this measure to improve as we increase the complement of fully trained personnel in our Communication Centres.

Note: the target changed as we increased the target for this measure in 2020/21 year due to meeting the previous target.

20 111 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.

Measure 2.1.6	Percentage of Communication Centre events dispatched for all incidents in urban environments within 90 seconds of receiving the 111 call			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	85%	84.8%	✕	86.8%
Why this measure is important	This measure helps us understand the effectiveness of our Communication Centres in determining the nature of the emergency and getting the appropriate resources on the way to the incident as quickly as possible. The speed of dispatch contributes directly to the overall response time for crews to arrive on site.			
Our performance	 We very narrowly missed meeting our 85% target. We have had some recent turnover in our Communication Centres, and our new personnel require substantial mentoring by current dispatchers as part of their training, which can impact performance. We expect our performance against this measure to improve as we increase the complement of fully trained personnel in our Communication Centres.			

Render safe hazardous substances and provide for safety at incidents

Output class 3

What we want to achieve

We respond to and stabilise or render safe incidents that involve hazardous substances and provide for the safety of persons and property endangered by incidents involving hazardous substances.

When a hazardous substance emergency occurs, we respond with skilled personnel and specialist equipment. We do this to save lives and property and reduce the impact on the environment. We also have an additional function to promote the safe handling, labelling, signage, storage and transportation of hazardous substances.

We have an obligation to notify hazardous substance agencies of hazardous substance emergencies when they occur and provide a report annually detailing all hazardous substance emergencies we attended.

The system for managing hazardous substances involves a coordinated approach by multiple entities. It is important that we are good at those aspects we are responsible for, so that those we serve and work alongside value and trust our services. A focus area is our relationships with our hazardous substances stakeholders and partners to improve collaboration and our response expertise.

Why this is important

Uncontained hazardous substances present an increased risk of personal injury and property damage, and the consequential social, economic, and environmental impacts. Prompt attendance at hazardous substance incidents with specialised skills and equipment helps to protect people and property endangered by these types of emergencies. How we respond to hazardous substance emergencies also affects how well we minimise the social, economic, and environmental impacts of these incidents, and how quickly affected communities can recover.

What we do to deliver on this output

To minimise social, economic, and environmental impacts from hazardous substance incidents we carry out:

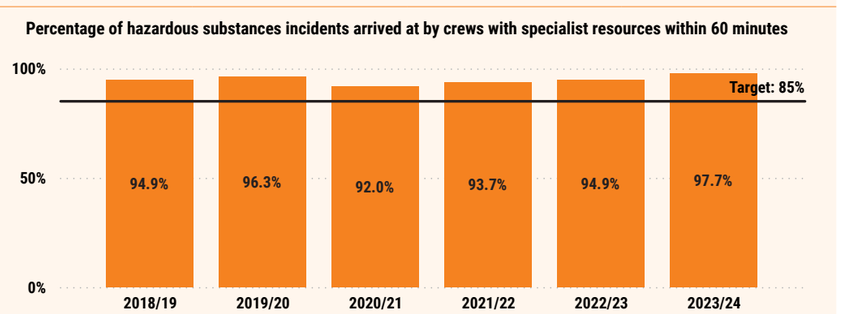
- **3.1 Response to hazardous substances**
- **3.2 Assist in promoting the safe use of hazardous substances**

Our investment in response to hazardous substances

	Levy receipts $000	Other revenue $000	Total income $000	Total expenditure $000	Net surplus/ (deficit) $000
Output class reporting					
3. Render safe hazardous substances and provide for safety at incidents	**12,865**	**382**	**13,247**	**14,855**	**(1,608)**
3.1 Response to hazardous substances incidents	12,446	350	12,796	14,371	(1,575)
3.2 Assist in promoting the safe use of hazardous substances	419	32	451	484	(33)

3.1 Response to hazardous substances incidents

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

Measure 3.1.1	Percentage of hazardous substances incidents arrived at by crews with specialist resources[21] within 60 minutes			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual[22]**
	85%	97.7%	✓	94.9%
Why this measure is important	This measure indicates the timeliness of response to incidents involving hazardous substances within mainland New Zealand. It helps us understand where hazardous substance events are occurring and provides information about our response so that we can inform any process improvements and future resourcing capacity and placement decisions if necessary.			
Our context	Every year our specialist career crews attend between 80 and 140 hazardous substances incidents. In 2023/24, our specialist career crews attended 128 hazardous substances incidents. This means on average our specialist career crews respond to a hazardous substance incident nationally, every three days.			
Our performance	 In 2023/24 our specialist career crews responded to 97.7% of hazardous substances incidents (125 incidents) within 60 minutes, well above our target of 85%.			

21 Specialist resources means attendance by Fire and Emergency 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.

22 This result was affected by industrial action and was subject to a qualified audit. Non-reporting of incident data due to the administrative aspect of industrial action impacted 2022/23 performance data for this measure.

3.2 Assist in promoting the safe use of hazardous substances

We help promote the safe use of hazardous substances in terms of handling, labelling, signage, storage, and transportation.

Measure 3.2	Assist in promoting the safe use of hazardous substances
What we have done this year	We led interagency groups, including Hazardous Substance Co-ordination Committees. These groups brought representatives from Government, emergency response agencies, industry and community stakeholders together to promote collaboration between organisations and discuss and address issues related to hazardous substances emergency prevention, response and readiness. We reviewed emergency response plans submitted by sites who hold hazardous substances. Which often included site visits and onsite engagements to promote good emergency response planning. We also engaged with major hazardous facility operators to improve emergency response planning. We piloted "facilitated site familiarisation visits" at bulk fuel facilities. These are annual visits are by initial responding crews to these facilities and involve meeting with on-site personnel. These visits utilise a Fire and Emergency check sheet of key site features and emergency systems and includes a site hazard induction. This site visit is followed up by a practical exercise, to check understanding of all the relevant aspects of the facility and to confirm the adequacy of the tactical plans. We contributed to reviews of new and changing standards, regulations and legislation including special provisions for burning hazardous waste post Cyclone Gabrielle, and advocating for a review of storage requirements for bulk ammonium nitrate to improve public safety.

Rescue as a result of transport accidents and urban search and rescue (USAR)

Output class 4

We have a role to respond to transport accidents, rescue people who are trapped, manage crash scene cordoning, traffic control and provide urban search and rescue (USAR) services.

In the event of a transport accident or USAR incident, we mobilise skilled personnel and specialised equipment to undertake necessary actions to save lives and protect property.

We are authorised to assume command, direct our personnel and coordinate other responding brigades and individuals at transport accident scenes.

Responding to transport accidents and USAR events involves working with our emergency sector partners. Strengthening these partnerships is vital to enhancing relationships and ensuring our services are valued and trusted.

Our capabilities extend to deploying skilled and specialist USAR teams and their specialist equipment domestically and internationally. We invest in specialised training for our USAR teams and maintain caches of specialised equipment to facilitate rapid and effective responses.

Why this is important

Our response to transport accidents and USAR events directly impacts our ability to minimise social, economic, and environmental impacts from these incidents and the speed of recovery for affected communities and individuals.

We provide an essential support function to our emergency services partners, utilising our specialist skills and available equipment.

What we do to deliver this output

To minimise social, economic, and environmental impacts from transport accidents and incidents requiring USAR, we carry out:

- **4.1 Response to transport accidents**
- **4.2 Provide urban search and rescue services**

This includes:

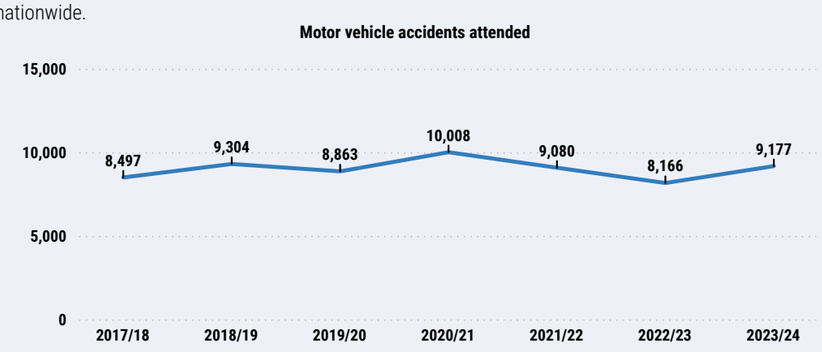
- providing response services to rescue persons who are trapped as a result of transport accidents.
- providing crash scene cordoning and traffic control at transport accidents.
- deploying USAR capabilities where they are needed, both within Aotearoa New Zealand and internationally.

Rescue as a result of transport accidents and Urban Search and Rescue

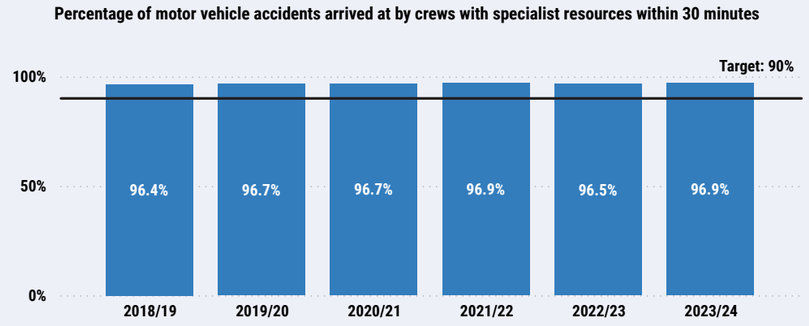
	Levy receipts $000	Other revenue $000	Total income $000	Total expenditure $000	Net surplus/ (deficit) $000
Output class reporting					
4. Rescue as a result of transport accidents and urban search and rescue (USAR)	**110,251**	**3,470**	**113,721**	**127,307**	**(13,586)**
4.1 Response to transport accidents	77,394	2,174	79,568	89,367	(9,799)
4.2 Provide urban search and rescue (USAR) services	32,857	1,296	34,153	37,940	(3,787)

4.1 Response to transport accidents

Responding to transport (motor vehicle) accidents is a main Fire and Emergency response function to rescue persons who are trapped as a result. We also assist our emergency service partners at the scene by providing cordoning and traffic control.

Measure 4.1.1	Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**[23]
	90%	96.9%	✓	96.5%
Why this measure is important	This measure helps us understand the timeliness of our crews' responses to motor vehicle accidents throughout mainland Aotearoa New Zealand. This is a valuable measure because our attendance at motor vehicle accidents can help save lives. Where trapped patients are extricated from vehicles and transported to hospital in a timely fashion within the first hour, this is known as the 'Golden Hour'. The 'Golden Hour' is a guide that suggests that following a traumatic injury (like a motor vehicle accident), prompt medical treatment improves the survival rate and reduces the risk of long-term complications. This measure also helps us pinpoint accident locations and provides insights into our response effectiveness. This information enables us to identify areas for potential process enhancements and make informed decisions regarding future resource allocation and placement.			
Our context	Every year our crews attend between 8,000 and 10,000 motor vehicle accidents. In 2023/24 we attended 9,177 transport accidents. This means we attended, on average, 26 motor vehicle accidents each day nationwide. 			

23 This result was affected by industrial action and was subject to a qualified audit. Non-reporting of incident data due to the administrative aspect of industrial action impacted 2022/23 performance data for this measure.

Measure 4.1.1	Percentage of motor vehicle accidents arrived at by crews with specialist resources within 30 minutes
Our performance	 We met and exceeded our target for this measure in 2023/24.

4.2 Provide Urban Search and Rescue (USAR) services

Responding to weather-related events, natural hazard events and disasters is one of our response functions. As part of this we maintain skilled and specialist USAR teams. We deploy these teams nationally and internationally. Deploying internationally has reciprocal benefits.

Measure 4.2.1	Maintain USAR international classification[24]			
Result	**Met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	By 30 June 2024[25]	Achieved	✓	Not assessed
Why this measure is important	Our USAR capability is crucial for saving lives during emergencies in both Aotearoa New Zealand and abroad. We have determined that this measure is valuable because the ability to swiftly locate and rescue individuals in the immediate aftermath of an emergency directly contributes to saving lives. This measure ensures that we maintain our International Search and Rescue Advisory Group international heavy accreditation in Urban Search and Rescue by consistently undertaking necessary training and maintaining specialised equipment. USAR teams must undergo reclassification every five years to uphold their international status. As a 'heavy USAR team,' we possess the operational capacity to execute challenging and complex technical search and rescue operations across two worksites, operating day and night shifts.			
Our performance	The case study on page 73 sets out the work we carried out to achieve this measure.			

24 Every five years USAR must reclassify to maintain its status. Our USAR have been operating with Heavy team classification, meaning we have the operational capability for difficult and complex technical search and rescue operations.

25 We have revised this measure's target from 'By 30 June 2023' to By June 2024' due to the NZPFU industrial action during 2022/23 preventing us from being able to maintain USAR classification.

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

Output class 5

What we want to achieve

We are required to provide a range of additional functions, including:

- responding to and assisting at medical emergencies
- responding to other (non-medical-related) emergencies, including:
  - maritime incidents
  - severe weather-related events
  - natural hazard events and disasters
  - incidents in which a substance other than a hazardous substance presents a risk to people, property, or the environment.
- performing rescues, including:
  - high angle line rescues[26]
  - rescues from collapsed buildings
  - confined spaces
  - unrespirable and explosive atmospheres
  - swift water rescues and animal rescues.

While carrying out these additional functions, we must maintain the capacity and capability to fulfil our primary responsibilities. Responding to medical and non-medical emergencies and conducting rescues requires close collaboration with our emergency sector partners. We must work collaboratively to strengthen and enhance these relationships, ensuring our services are respected and trusted.

Why this is important

Our response to various emergencies, such as natural hazards, medical crises, maritime incidents and other rescues, helps to reduce harm to affected individuals and communities.

Our priority is to deliver timely response services that adhere to best practices. We actively engage in discussions and forums with stakeholders and partners to enhance our response capabilities. We play a critical support role for our emergency services partners, leveraging our specialised skills and equipment to provide assistance.

What we do to deliver this output

In cooperation with our emergency services partners, we undertake a support role in:

- **5.1 Assist in responding to medical emergencies**
- **5.2 Assist in responding to other (non-medical-related) emergencies**
- **5.3 Assist in responding to non-transport-related rescue incidents**

26 High angle line rescues are incidents where a responder uses ropes and harnesses to safely evacuate a person or animal trapped in a high place or an underground area.

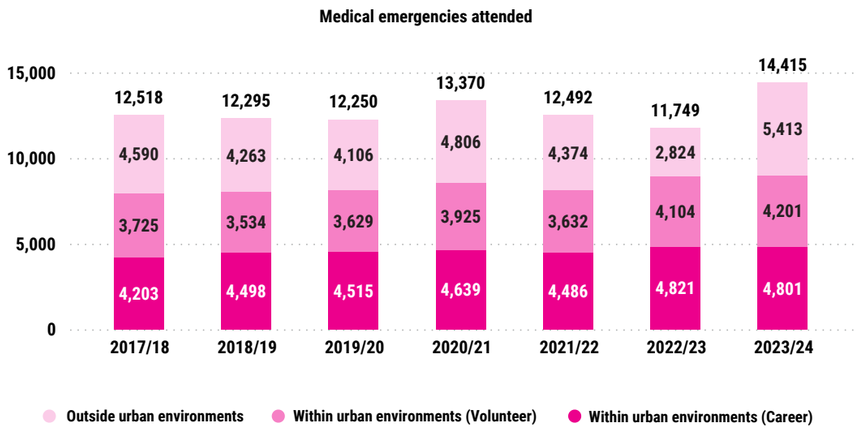
Our investment in responding to other emergencies, including medical, maritime, other rescues and natural hazard events

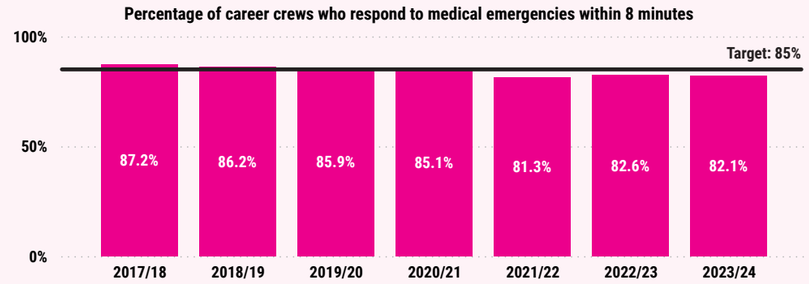
	Levy receipts $000	Other revenue $000	Total income $000	Total expenditure $000	Net surplus/ (deficit) $000
Output class reporting					
5. Responding to other emergencies, including medical, maritime, other rescues and natural hazard events	**30,813**	**12,201**	**43,014**	**35,579**	**7,435**
5.1 Assist in responding to medical emergencies	15,798	6,333	22,131	18,242	3,889
5.2 Assist in responding to other (non-medical-related) emergencies	11,600	4,657	16,257	13,394	2,863
5.3 Assist in responding to non-transport-related rescue incidents	3,415	1,211	4,626	3,943	683

5.1 Assist in responding to medical emergencies

Responding to medical emergencies is an additional response function which we undertake over and above our core functions. It is based on 'first- and co-response' levels of expertise to assist our emergency service partners Hato Hone St John and Wellington Free Ambulance.

Every year we attend between 12,000 and 14,000 medical emergencies. In 2023/24 however we attended 14,415 medical emergencies. On average, we respond to approximately 39 medical emergencies a day, across the country.



Measure 5.1.1	Percentage of career crews who respond to medical emergencies[27] within 8 minutes			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual[28]**
	85%	82.1%	✗	82.6%
Why this measure is important	This measure allows us to assess response times against the eight-minute arrival target. This information helps us pinpoint areas for improvement in processes and aids in future decisions regarding resource allocation and placement. Medical response is an additional function under section 12 of our legislation. This means that we are able to respond if we have the capability and capacity to do so. Many of our brigades are trained medical co-responders and our response supplements other agency responders as we are often the closest and fastest responder because of our geographic spread. Our response to medical emergencies can save lives. Response times play a critical role as a mitigation strategy, aiming to decrease the likelihood of fatalities or injuries by facilitating swift response and intervention. Due to this, we see significant value in responding to these calls and our responses provide significant benefit to communities across Aotearoa New Zealand. Responding to medical emergencies can cause trauma to our personnel, who respond to these calls. Some of our brigades attend multiple fatalities on a regular basis, as part of their attendance at medical emergencies. Many of these events can have longstanding traumatic impacts for both the family of the patient and the health and wellbeing of our emergency responders.			
Our context	Each year our career firefighter crews are the first to arrive at between 4,000 and 5,000 medical emergencies in urban environments. In 2023/24 our career crews attended 4,801 medical emergencies (an average of 13 a day in urban environments).			
Our performance	 We did not meet the 85% target for this measure for 2023/24. Our career crews arrived at 85% of incidents arrived at within 8 minutes 22 seconds. Various factors that are outside our direct control impact our response times, which make it very difficult to meet response time targets. Depending on the locality, factors such as traffic and road conditions, traffic calming measures and urban footprint expansion may play a part. In January – March 2024 the number of medical emergencies we attended that were outside our 8-minute response time increased with more incidents occurring in holiday locations further from stations.			

27 Medical emergencies within urban environments.

28 This result was affected by industrial action and was subject to a qualified audit. Non-reporting of incident data due to the administrative aspect of industrial action impacted 2022/23 performance data for this measure.

Measure 5.1.2	Percentage of volunteer crews who responded to medical emergencies[29] within 11 minutes			
Result	**Not met**			
Summary	**2023/24 Target**	**2023/24 Actual**	**Met**	**2022/23 Actual**
	80%	74.8%	✕	73.7%

Why this measure is important

This measures allows us to assess response times against the 11-minute arrival target. This information helps us pinpoint areas for improvement in processes and aids in future decisions regarding resource allocation and placement.

Medical response is an additional function under section 12 of our legislation. This means that we are able to respond if we have the capability and capacity to do so. Many of our brigades are trained medical co-responders and our response supplements other agency responders as we are often the closest and fastest responder.

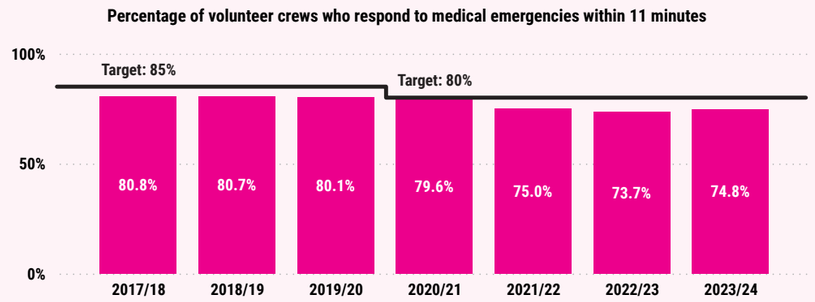
Our response to medical emergencies can save lives. Response times play a critical role as a mitigation strategy, aiming to decrease the likelihood of fatalities or injuries by facilitating swift response and intervention. Due to this, we see significant value in responding to these calls and our responses provide significant benefit to communities across Aotearoa New Zealand.

Responding to medical emergencies can cause trauma to our personnel, who respond to these calls. Some of our brigades attend multiple fatalities on a regular basis, as part of their attendance at medical emergencies. Many of these events can have longstanding traumatic impacts for both the family of the patient and the health and wellbeing of our emergency responders.

Our context

Each year our volunteer crews are the first to arrive at between 3,500 and 4,500 medical emergencies within urban environments. In 2023/24 our volunteer crews attended 4,201 medical emergencies (an average of 11.5 a day in urban environments).

Our performance



We did not meet the 80% target for this measure for 2023/24. Our volunteer crews arrived at 80% of incidents within 11 minutes 37 seconds. Many factors beyond our direct control affect our response times, making it challenging to meet our targets. Local conditions, such as traffic, road conditions, traffic calming measures, and urban expansion, all contribute to this issue. The availability of volunteer crews can also impact the timeliness of response.

In 2021/22 we recognised that there were ongoing challenges in achieving timely response in some locations and for certain call types. Adjusting the historic target, while retaining the importance of the time-based element of this measure, brings transparency to the challenges we face when responding in certain areas.

29 Medical emergencies within urban environments.

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

We assist in responding to other emergencies, including maritime incidents, severe weather events, natural hazard events and disasters, non-hazardous substance-related incidents and any other situation if we can help.

2023/24 Performance Information	Median response time to other (non-medical-related) emergencies[30]

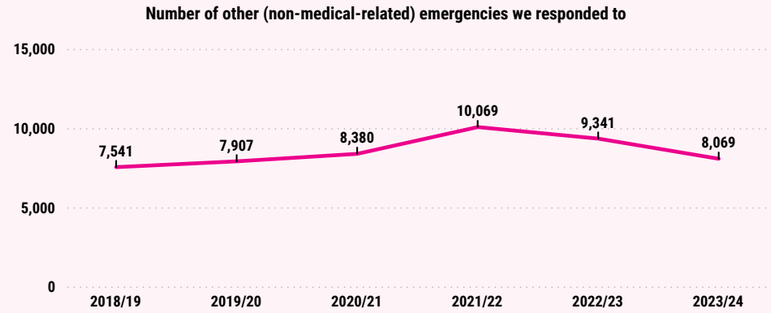
Why we have chosen to include this information

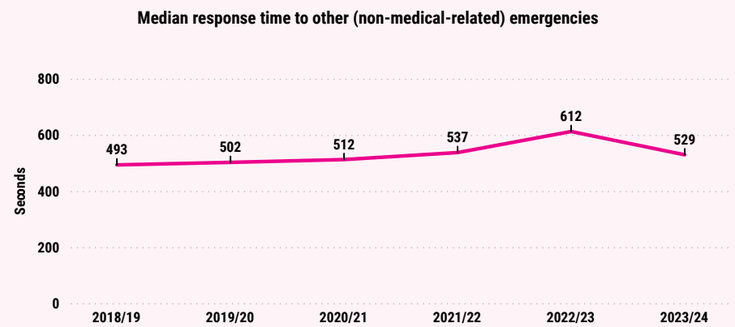
Each year, our crews attend between 7,500 and 10,500 other (non-medical-related) emergencies. In 2023/24, we attended 8,069 other (non-medical-related) emergencies. This averages to more than 20 each day.

Response time measures are one of a number of variables that can influence the outcome of an incident and are used by emergency services globally. We find these metrics valuable as they provide insights into resource allocation, helping us ensure that our capabilities are well-matched to the nature and types of incidents we respond to.

This information counts the overall time it takes to process and respond to other (non-medical-related) emergencies. It considers the time to process the call, alert and dispatch appropriate resources and the time it takes for them to arrive on site.

Our performance



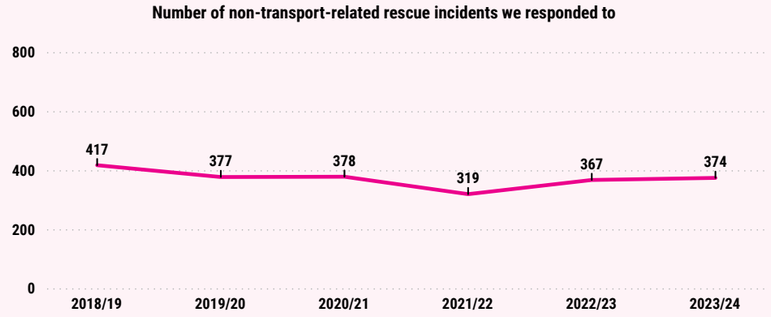
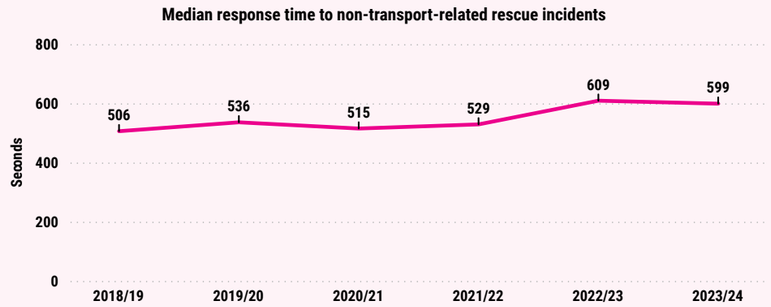


In 2023/24, we attended 8,069 other (non-medical-related) emergencies with a median response time of 8 minutes 49 seconds.

30 Non-medical related emergencies include Special Service Calls, Assist Public and Heat/Pressure.

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

Performing rescues is an additional response function which we undertake over and above our core functions, and includes line and animal rescues, rescues from collapsed buildings, confined spaces, irrespirable and explosive atmospheres, and swift water.

2023/24 Performance Information	Median response time to non-transport-related rescue incidents
Why we have chosen to include this information	This information helps us understand how our crews respond to and arrive on-site at non-transport-related rescue incidents within urban environments. It helps identify issues that could be causing slower response times and to identify process improvements and/or future resourcing capacity and placement decision making.
Our performance	  In 2023/24, we attended 374 non-transport-related rescue incidents with a median time of 9 minutes 59 seconds.

SPE milestone measures – Organisational health and capability

In addition to our reportable outputs, we have other measures of our organisational health and capability linked to key work programmes and associated milestones.

Measure	Relationship agreements with sector partners aligned to the objectives of the relationship framework
Target	3
Result	**Met**
Our performance	In 2023/24 we completed two new national service level agreements with key forestry stakeholders. We also completed a new national Memorandum of Understanding (MoU) with the University of Canterbury. Working collaboratively with forestry sector partners we have established new modern service level agreements focussed on sustainable working arrangements. These arrangements strengthen wildfire response capability, align with our partners needs and our strategic and operational objectives. The new MoU with University of Canterbury enables a five-year sustainable partnership that further develops and strengthens our specialist fire engineering capability, meets our needs as a regulator and supports the delivery of expert fire safety advice for communities.

Measure	Design, develop and adopt a Māori Strategy
Result	**Met**
Our performance	Fire and Emergency's Rautaki Māori (Māori Strategy) was developed with input from across the organisation and Māori community representatives. We consulted on the Rautaki across the motu (country) before receiving endorsement from the Board. To mark the rising of Matariki and Puanga there were a number of hautapu celebrations with our brigades and communities around the motu. This was a fitting occasion to launch our Rautaki Māori at our National hautapu in Pōneke (Wellington). The karakia was led by our Executive Leadership Team and Board representatives to acknowledge the beginning of the Māori New Year helping Fire and Emergency connect with our communities, build respectful relationships and improve our service to Māori communities who are disproportionately impacted by unwanted fires.

Measure	Establish an external Māori Advisory Rōpū with a forward workplan
Result	**Met**
Our performance	Fire and Emergency's Executive Leadership Team appointed the external Māori Advisory Rōpū to seek cultural guidance when making decisions on kaupapa which has a significant impact for the organisation or Māori. On 26 June 2024 the rōpū (group) had their inaugural hui to formally meet our leadership team, discuss their aspirations for the future and consider their 24/25 workplan. By receiving advice on tikanga Māori (practices/customs) and te ao Māori (a Māori world view), Fire and Emergency will be better able to foster respectful relationships, build and deliver effective services for all New Zealanders and make progress towards reducing the disproportionate impact of unwanted fires on hapori Māori (Māori communities).

Report against non-departmental appropriations in Vote Internal Affairs[31]

Fire and Emergency New Zealand – Public Good Services (M41) (A6)

Scope – This appropriation is limited to the Crown contribution towards the public good component of services provided by Fire and Emergency New Zealand.

Intention – This appropriation is intended to achieve recognition of the Government's contribution towards public good services that are unrelated to property or motor vehicle insurance.

Measure	Budget Standard 2023/24	Actual 2023/24	Met	Actual 2022/23
Crown contributions are spent on public good services that are unrelated to property or motor vehicle insurance	Achieved	Achieved	✓	Achieved

Fire and Emergency New Zealand – Loans (M41) (A6)

Scope – This appropriation is limited to loans to provide financial support to Fire and Emergency New Zealand.

Intention – This appropriation is intended to provide financial support to Fire and Emergency New Zealand.

Measure	Budget Standard 2023/24	Actual 2023/24	Met	Actual 2022/23
Repayment as per the agreed schedule in the Crown loan agreement between Fire and Emergency New Zealand and the Minister of Finance	Achieved	Achieved	✓	Achieved

31 Vote Internal Affairs is administered by the Department of Internal Affairs.

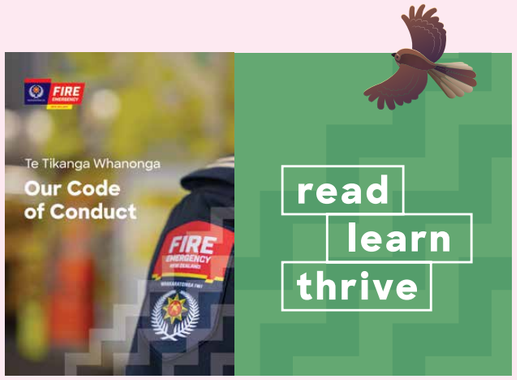
A positive workplace culture

Fire and Emergency is committed to providing a safe, positive and inclusive workplace for all our people. This year we have introduced two key improvements to achieve long-term workplace change: a new complaints service and a new Code of Conduct.

We launched Speak Safe @ Fair Way, a new independent, external and impartial enquiries and complaints service available to all people at Fire and Emergency. To deliver the service, we partnered with external provider Fair Way | Kia Tau, experts in dispute resolution. Speak Safe @ Fair Way provides employees, volunteers, and contractors a safe, external and independent channel where anyone can raise concerns or get advice – especially before they have a complaint.

Speak Safe @ Fair Way is designed to improve the way we manage complaints from initial enquiries through to resolution. Changing the way we manage complaints is part of our response to the Te Kawa Mataaho | Public Service Commission 2022 review. Speak Safe @ Fair Way has replaced our previous Behaviour and Conduct Office and has been designed to better meet the expectations of our people by providing increased independence, greater confidentiality and improved timeliness across our complaints processes.

Developing a new Code of Conduct Te Tikanga Whanonga as a key foundation document is another milestone on our workplace culture change journey. The Code is a stand-alone document that applies to everyone who is a part of Fire and Emergency. It simplifies our expectations of our people by replacing the Standards of Conduct, Code of Behaviour and other codes and standards that applied previously.



The new Code sets out the behaviour and actions expected from all our people, supports them to make the right decision and judgements, and outlines what will happen if they act outside those expectations.

To ensure the Code and the expectations it sets out are embedded in Fire and Emergency, we have launched an online module which everyone is expected to complete. We have also provided support for people leaders to understand, embody and embed the Code.

The improvements made this year are part of the wider Eke Taumata programme, which is delivering long term workplace culture change and ensuring a positive experience for our people.

Ō Mātau Takune ā-Rautaki
Our Strategic Intentions

We have three priority areas that describe what we want to achieve over the coming years. These are set out in our Statement of Intent 2023 – 2027 and are:

Delivering for Aotearoa our work to reduce the risk of fire, be ready for and respond to fires and emergencies.

Developing our people our work to support our commitment to building a safe workplace that we can all be proud of.

Building our business our work to adapt to our changing environment so we can deliver for communities and provide investment in our network of assets and infrastructure.

Our approach to this section

We have streamlined our approach to outlining the progress we have made toward our strategic intentions this year. As part of this approach, we have identified:

- case studies which demonstrate the challenges we face and what we are trying to achieve.
- key initiatives delivered in the financial year which helped us progress toward our goals.

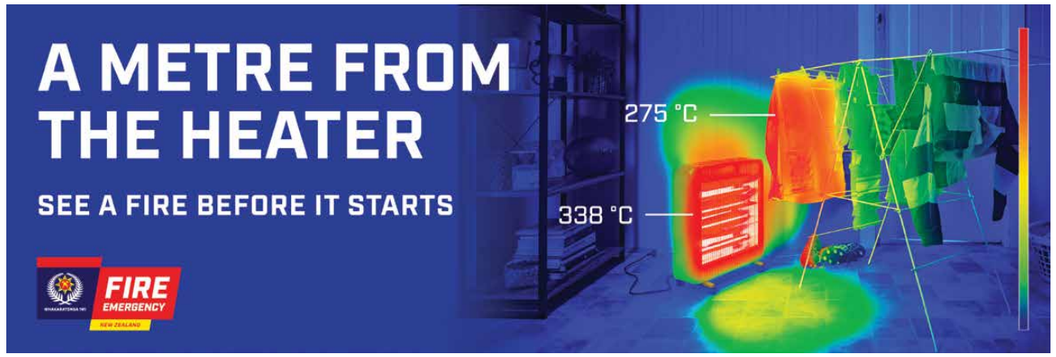
Delivering for Aotearoa

In 2023/24 we continued to work with others to prevent fires, reduce the risk when they happen, and be ready to respond to fires and other emergencies.

Major Responses

Our response efforts can help to minimise the harm caused by fire and emergencies. International responses help to broaden skillsets and foster key partnerships.

- Our USAR and specialist water rescue personnel responded to Wairoa, following a significant flood event. Rapid disaster assessments were carried out on over 500 properties.
- We completed a multi-agency mission led by Ministry of Foreign Affairs and Trade at the site of a devastating landslide in Papua New Guinea.
- We responded to a major wildfire in the Port Hills, near Christchurch, in February. This was the largest wildfire in Canterbury since the previous Port Hills fire in 2017. At the same time, more than 50 firefighters responded to a significant fire at Waikari Valley in the nearby Hurunui District.



Working to reduce the risk of fire

Reducing the risk of fire is one of our main functions. Working closely with others to reduce the risk of fire and promote safe behaviour helps to prevent fires from happening and reduce the impact when they do happen.

- We completed 111 smart fire alarm installations adding to a total of 654 installed in over 200 Marae across the country in the last three years.
- We delivered our three-phase wildfire readiness and prevention campaign, which ran from October 2023 to May 2024. Which resulted in:
  - 88% report checking the fire danger before lighting a fire outdoors [target 85%]
  - 81% report checking the fire danger before carrying out work that emits sparks or flames [target 75%]
  - 89% report keeping their grass short around buildings [target 70%].
- We launched online training to support personnel to deliver our fire prevention programmes including Ahikura and Maui-tinei-ahi (a fire safety programme for Māori-language immersion schools).
- We launched a new escape planning and smoke alarm campaign in March 2024 which aims to increase the number of smoke alarms in homes and improving the quality of the publics escape plans.
- We launched our Winter Fire Safety Campaign launched 'See a fire before it starts'. The campaign focuses on three fire safety actions:
  - a metre from the heater, keep everything at a safe distance
  - cool ash before you stash, soak with water in a metal bucket
  - a clean dryer avoids fire, remove lint before every use.
- We launched Fire Danger forecast during 1News at 6PM Weather report and MetService app alerts for Extreme Fire Danger.
- We developed a fire safety video aimed at those working around forestry, wilding pine and carbon forests in collaboration with the Ministry for Primary Industries.
- We created preparedness content and messaging available on the National Emergency Management Agency Get Ready website.

Improving our response capability

In an uncertain operating environment, maintaining appropriate capability to respond swiftly and safely to fires and emergencies is key. To do this, our people need to have fit-for-purpose tools and training to operate safely in a range of environments.

- We released our Auckland Floods and Cyclone Gabrielle Operational Review. This will help us improve our approach to policy and operational procedures and improve our training, equipment, resourcing and how we support our personnel.
- We delivered a Hazmat Capability Framework.
- We replaced end-of-life gas detection equipment for 100 specialist fire investigators.
- We completed a review of our policies, procedures and training relating to landslides and introduced a new training module for our firefighters that covers:
  - factors that can cause landslides
  - warning signs to look out for
  - key considerations when responding in high risk conditions.
- We rolled-out new technology breathing apparatus communications units to replace our current units. Key enhancements are that they now have a battery life of 32 hours, an improvement on 8 hours in the old units.
- An intensive five-day flammable liquids training course was completed for 12 incident commanders, focused on upskilling our people on significant flammable liquid risks.
- We connected our air desk to near real-time incident data. The air desk allows dispatching and coordination of aircraft during wildfire response and rescues. Near real-time data has increased the situational awareness for dispatchers and incident controllers on the fire ground.

Building collaborative partnerships

High trust relationships enable us to provide more effective responses to major emergency events. Working with communities, iwi and sector partners helps us understand what they value, need and the risks they face.

- We established working parties with the New Zealand Professional Firefighters Union (NZPFU) to provide advice on key issues.
- We signed a locally driven relationship agreement with Waikato-Tainui in February 2024, with a focus on where our values and goals align, ensuring the agreement supports each party's objectives, and fostering a close and enduring relationship.
- Our annual stakeholder survey results showed our highest score to date with our stakeholders satisfaction in their relationship with Fire and Emergency (76%), up from 69% in 2022/23.

Enhancing our capability to respond

In the spirit of auahatanga – we strive to improve – and continuing our modular capability approach to specialist response, we started rolling out training and equipment that will give our firefighters a wider range of disaster response skills to apply following natural disasters or adverse weather events. This work is helping address key insights from the Auckland Floods and Cyclone Gabrielle Operational Review released in April 2024.

This programme of work is District-based and builds on our people's current rescue skills. The skills being rolled out include enhanced rescue, damage assessment, working safely in water and trench rescue modules. While many of our people have these skills as individuals, we intend to have full crews of firefighters with all these skills who can then respond to natural disasters or adverse weather events as a team.

We piloted this work in Northland, Tairāwhiti, and Nelson-Marlborough and it initially involved the selection of one career firefighter from each watch at Whangarei, Gisborne, and Nelson stations to attend the enhanced training course.

These firefighters attended a week-long train-the-trainer course held at Ardmore in November 2023. The train-the-trainer course was taught by our existing subject matter experts, who continue to mentor the participants back in Districts to enhance current skillsets around damage assessment and rescue capabilities.

The development of this capability is being overseen at a national level with ongoing evaluations of this enhanced capability within the three Districts. Should the pilot prove successful, the intent is to make elements of the enhanced capability available across the country that takes a risk-based and strategic approach.

In addition to this, we continue to ensure we maintain the specialist teams (with a higher level of expertise) necessary to respond safely to natural disasters and severe weather events. Our continued focus on ensuring we can respond safely to these events means there are now 62 personnel trained to swift water technical level across the motu (country). These Specialist Water Response Teams will maintain the training and equipment necessary to deal with a wide range of flood and water-based incidents.

This commitment saw our USAR successfully maintain its classification as a Heavy team under the International Search and Rescue Advisory Group guidelines, a status first achieved in 2015. This classification requires significant dedication, adaptability, and skill, enables our team to deploy overseas for emergency assistance and ensures reciprocal support for Aotearoa New Zealand. To achieve and maintain this classification, our team underwent a rigorous capability audit and a 36-hour exercise, demonstrating various skills such as personnel movement, structure stabilisation, and technical rescues.

Developing our people

In 2023/24 we continued our work to build an environment that is positive, safe and inclusive — where our people feel they belong and where they are able to thrive.

Leadership development to support continued deliver and culture change

Making sure our people and leaders have the training and support they need to succeed. This will help to drive the culture change we are trying to achieve and ensure we can continue to deliver for Aotearoa New Zealand – now and into the future.

- 2 rounds of District Manager development supported — the District Manager (DM) development programme, supports the professional development of DMs and other Tier 4 leaders. Participants work with a Leadership Development Guide as well as their immediate manager to explore current skills, future career aspirations and identify opportunities for growth and development that align with the organisation's needs.
- 1,999 Deeper Signals personality assessments — Deeper Signals helps individuals achieve greater understanding of their typical patterns of behaviour and how they are coming across to others.
- 278 attending Lead Teams — Lead Teams is a six-month programme to help leaders deepen their self-awareness, develop their capabilities to build a high performing team, improve their communication skills and enhance their relationship building skills.
- 498 attending Lead Self — Lead Self is a one-day workshop designed to increase self-awareness, explore personal values and how they align with Fire and Emergency values, and how to use and seek feedback.

Building a diverse, respectful and effective workforce

Our people are our most important asset, and we are working to create an environment that is safe, positive and inclusive. Our people need to feel supported and empowered, so that collectively we can deliver for Aotearoa.

- We stood up our new People Branch structure on 1 July 2023. This will help us build a safe, respectful and inclusive workplace by improving support for our personnel across the country.
- We published our year two Kia Toipoto action plan and 2023 pay gap data.
- We ran a recruitment round focused on diversity with a new series of marketing videos bringing the realities of the role of a firefighter to life (see case study).
- We trialled a volunteer recruit course in Tairāwhiti (not at a centralised National Training Centre) to make it easier for our people to volunteer by having the courses closer to home.
- We concluded our three-year Hiwa-i-te-rangi project with 2,785 of our personnel completing He Tīmatanga Kōrero to achieve Te Tohu in the last three years.

Building our capability – recruiting career firefighters and building volunteer capacity

Building a diverse, modern and effective workforce is key to ensuring we can deliver our services into the future. One of the most important ways to do this, is to attract and retain the right people.

In 2023/24, we saw a successful response to a new approach to our campaign for career firefighter recruitment. The campaign focused on some of the characteristics needed to be a career firefighter — team players who will bring selflessness, energy, and courage to the role.

We recognised that we needed to increase people's knowledge of what it means to be a firefighter, to break down barriers and encourage a wide range of people to consider becoming a career firefighter.

A key objective of doing things differently was to encourage more applications from wāhine (women). To achieve this, we targeted our media outreach, collaborated with the Super Rugby Aupiki Blues to produce collateral and featured a mix of firefighters in our 'Hot Potato' video series.

The 'Hot Potato' video series featured a literal game of hot potato where our career firefighters were put under pressure and asked a series of questions we get from applicants. The result was a set of videos featuring our people, who know the job better than anyone, answering questions in their own words and encouraging people to apply.

As a result, we received just under 890 applications, which was a 20% increase from previous rounds. There was an additional 72% increase in application from women, 38% increase in application from Māori and 22% in application from Pacific Peoples.

Supporting recruitment of volunteers is also important and has different challenges. Often our volunteer brigades are in smaller communities but historically, recruit training courses have been run at larger centres or training centres. This year, in Tairāwhiti we took a different approach. In Tairāwhiti, socio-economic factors, fatigue from multiple weather events, and travel distances present challenges to volunteer recruitment and retention. To counter this, we ran a focussed recruitment drive, encouraging people to join their local brigades.

To make the recruit training course more accessible, we ran key components of the course closer to home, for example hose running and breathing apparatus courses were run in Gisborne as well as our National Training Centre (NTC). For courses which could not be run locally, we organised transport for recruits to and from NTC in Rotorua – making these courses more accessible so our recruits received vital in-person training.

Another challenge for those wanting to volunteer in Tairāwhiti is access to medical testing – practitioner numbers are declining, wait times are growing and travel to clinics can mean time off work. To mitigate this, we had a Nurse Practitioner present as part of the recruitment drive so applicants did not have to travel for their medical. We also worked with Gisborne Hospital to access services which previously would have required volunteers to travel to Auckland or Waikato.

The result of these efforts was success in bolstering numbers in key brigades across Tairāwhiti. Each District has its own challenges, and we are committed to finding solutions to meet them head on. Our driving principle is making volunteerism accessible which is key to ensuring a diverse, modern and effective workforce that is also sustainable.

Our People Profile

As at 30 June 2024

In 2023/24 we changed how we classify different roles in our organisation to better reflect how we allocate costs based on the services we provide. Under these categories some of our people work in paid roles that are split between functions. These roles are reported using full-time equivalent (FTE) which is split proportionally. Volunteer numbers are reported using Headcount. The demographic breakdowns for all personnel categories are calculated using Headcount. The total FTE for paid personnel (excludes volunteers) is 2,996.1.

- EUROPEAN
- MĀORI
- MIDDLE EASTERN/LATIN AMERICAN/ AFRICAN
- PACIFIC PEOPLES
- ASIAN
- OTHER ETHNICITY
- NOT DECLARED
- TĀNE
- WĀHINE
- GENDER DIVERSE

Frontline: Those who directly deliver our services to the public and industry

Frontline Enabler: Those who directly support our frontline functions

Corporate support: Those who maintain our business operations that allow the organisation to function in an efficient manner and prepare for the future.

FRONTLINE – PAID

2,256.5

FULL-TIME EQUIVALENT

AVERAGE AGE	AVERAGE LENGTH OF SERVICE (YEARS)	GENDER	
46.4	15.8	90.8%	9.2%

FRONTLINE – VOLUNTEERS

11,253

HEADCOUNT

AVERAGE AGE	AVERAGE LENGTH OF SERVICE (YEARS)	GENDER		
45.5	11.5	79.7%	20.2%	0.1%

FRONTLINE ENABLER – PAID

506.8

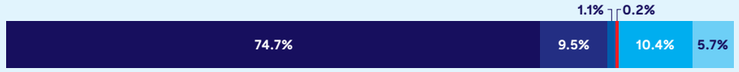
FULL-TIME EQUIVALENT

AVERAGE AGE	AVERAGE LENGTH OF SERVICE (YEARS)	GENDER	
47.2	7.2	45.7%	54.3%

FRONTLINE ENABLER – VOLUNTEER

557

HEADCOUNT



AVERAGE AGE	AVERAGE LENGTH OF SERVICE (YEARS)	GENDER	
57.0	11.3	36.4%	63.6%

CORPORATE SUPPORT – PAID

232.8

FULL-TIME EQUIVALENT

AVERAGE AGE	AVERAGE LENGTH OF SERVICE (YEARS)	GENDER	
43.6	3.7	38.5%	61.5%

Building our financial sustainability

Fire and Emergency New Zealand is funded almost entirely by levies paid on eligible vehicle and property insurance policies. During April and May 2024, we ran public consultation on the levy arrangements for the period 1 July 2026 – 30 June 2029 (the levy period).

This is the first time we have run the levy setting process as intended in Part 3 of the Act. Funding certainty is key to the continued delivery and improvement of our services. The consultation was our first opportunity to engage with the public about the value of our services and what is required for us to be ready to respond when we are needed.

As required by the Act, Fire and Emergency consulted on:

- the activities Fire and Emergency propose to undertake during the levy period
- the rates of levy we propose to charge each policy holder group to fund these activities.

To ensure we would hear from a range of people who pay levy we invested in an approach that would encourage participation as widely as possibly.

Our consultation used both traditional channels, including a public notice in newspapers and radio advertising, and digital channels (including social media and advertising on Stuff) to maximise our reach and drive action. The 6-week campaign had two phases, the first was to raise awareness of the consultation and reach as wide an audience as possible and the second was aimed to drive action.

- We received a significant number of submissions, 841 in total either by email or through our online consultation platform on Citizen Space.
- We received submissions from individuals, organisations and other groups and from all regions of Aotearoa New Zealand.
- In phase one of our campaign, our posts on Facebook and Instagram reached more than 2 million people, with around 6,500 clicks on our links. In phase two, our social media posts were viewed more than 3.763 million times and just under 30,000 people clicked on our links.
- 2,499 people clicked on links in our Stuff advertisements.
- Our digital billboards were shown 2.988 million times in petrol stations across New Zealand and 1.357 million times in community and recreation centres.
- Our interactive online advertisements were shown around 720,000 times with 12,700 clicks on links.

Feedback collected as part of the consultation was considered as part of the impact analysis for Ministerial and Cabinet decision making on final policy proposals for the levy. In line with Fire and Emergency's commitment to improving our accountability and reporting, consulting on the levy provides us with an opportunity to hear directly from the communities we serve. We will be consulting prior to every levy period.

Building our Business

In 2023/24 we continued our work to adapt to our changing environment in order to deliver for communities and provide investment in our network of assets and infrastructure. This section includes Asset Performance indicators and Carbon Neutral Government Programme (CNGP) reporting.

Maintaining fit-for-purpose resources to support our work

Making sure that our resourcing, processes and assets adapt to our changing operating context is key to maintaining our ability to respond safely and effectively.

- Progressed three major building programmes:
  - Parnell Station rebuild
  - Hastings Station seismic upgrade
  - Waverley Fire Station upgrade.
- We delivered two new stations:
  - Kaiapoi Station
  - Kaikoura Station.
- We completed mapping of flooding and sea level rise implications which will help inform our decision-making when we improve our property sites.
- We transitioned to a more efficient and effective fire hose management system.
- We established remote connections to some of our most isolated stations. Stations in Goose Bay, the Chatham Islands and Milford Sound are now connected to the rest of the organisation via a Starlink satellite-based internet connection. This enables access to online resources and provides connectivity not previously available in these areas.
- We introduced a new generation hose drying tower. Our new design towers are less labour intensive, safer to use, and can be moved between locations to cope with surge requirements. They will handle all our hose types whereas the old towers were built to handle forestry hose only.

Critical asset performance indicators

This year we introduced critical asset indicators for the first time. We have made progress against the asset indicators; however, there is still more work to be done. As we implement our asset management plans, we anticipate developing a more detailed understanding of each asset's performance and risk profile; this evolving process will help refine our indicators and improve our overall asset management strategy moving forward.

Property

Performance measure for service critical assets	2023/24 actuals
Percentage of stations that meet all five baseline ablution standards	66%
Percentage of stations that meet best or good practice for exhaust fume management standards	76%
Percentage of appliance bay doors at stations receiving an annual inspection	90%

ICT

Performance measure for service critical assets	2023/24 actuals
Percentage of network connected computers security patched (operating system) each month	85%

Fleet

Performance measure for service critical assets	2023/24 actuals
Percentage of preventative maintenance service works records closed with 60 days of scheduled date	87%
Average age of replacement of the fire appliances within target asset life	71%

Equipment and Logistics

Performance measure for service critical assets	2023/24 actuals
Percentage of safety critical operational equipment meeting operational requirements	80%

Toitūtanga ā-taiao
Environmental sustainability

We are exploring ways of reducing our greenhouse gas emissions and are committed to increasing our resilience to the impacts of climate change.

We generate greenhouse gases when we burn fossil fuels to produce energy. This energy powers our fleet (fire appliances and light vehicles), enables us to travel and fight fires from the air, and keeps our facilities running.

Carbon Neutral Government Programme

The Carbon Neutral Government Programme (CNGP) set ambitious targets for public sector decarbonisation. As a participant of the CNGP we are required to:

- measure, verify and report our emissions annually
- set gross emissions reduction targets
- introduce and implement a plan to reduce our organisation's emissions.

Our emissions profile

The activities we carry out to protect and preserve lives, property and the environment result in greenhouse gas emissions. In 2023/24, our total emissions from non-biogenic mandatory sources[32] were 13,915.29 tonnes carbon dioxide equivalent (tCO2e). This is 16.8% percent lower than our baseline year (2018/19) of 16,849 tonnes, and 1.8% percent higher than 2022/23.

In 2023/24, our mandatory emissions increased from the previous year. This was due to:

- an approximate 30% increase in the emission factor for electricity
- increased use of diesel in our Red Fleet which is made up primarily of fire appliances
- increased air travel.

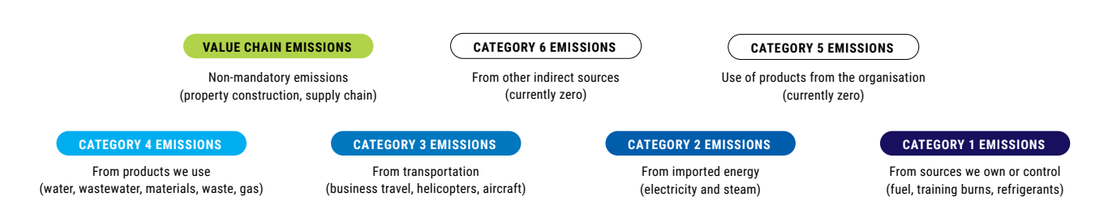
These increases were offset by emissions reductions in other mandatory sources:

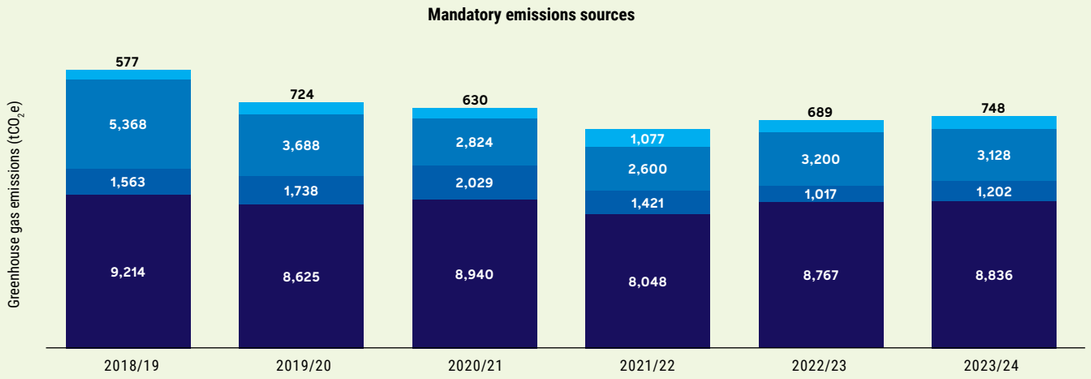
- a reduction use of helicopters and aircraft used for aerial firefighting
- a reduction in consumption of LPG and natural gas
- the transition of the boiler which provides steam to the Dunedin City Station from coal to biomass.

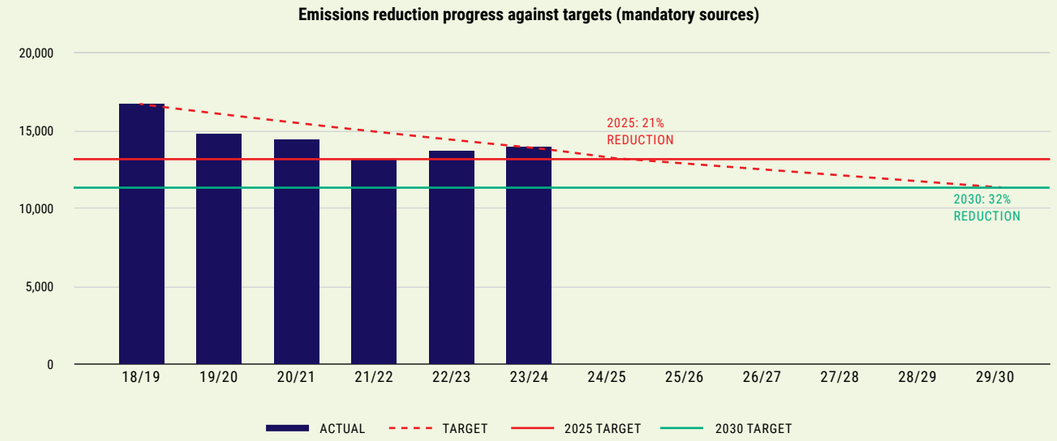
The goods and services we buy also result in emissions, which we calculate using spend based supply chain estimates.[33] Including these, our total emissions were 46,511.76 tCO2e. This was 9.3% percent lower than the baseline of 51,275 tCO2e. The table below shows Fire and Emergency's total greenhouse emissions from mandatory and supply chain sources to the nearest whole tonne of tCO2e. Supply chain sources are spend-based estimates.

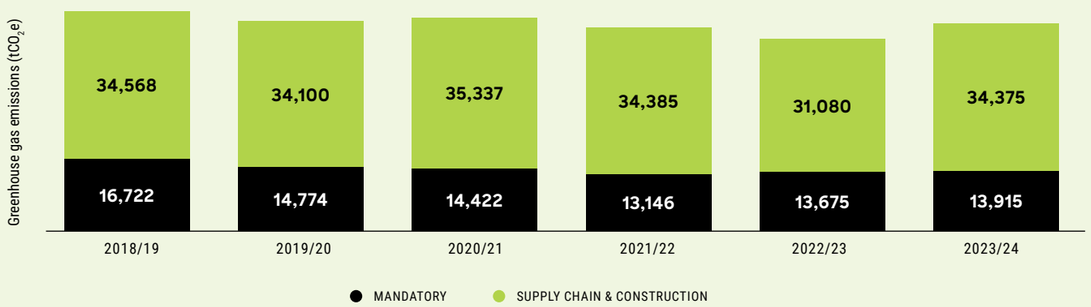
32 These are sources of emissions we must report on as directed by the Carbon Neutral Government Programme.

33 These are outside Fire and Emergency New Zealand and include hard-to-track items such as the "embodied emissions" released when making products that we use. Our supply chain emissions are estimates based on how much we spend.









Source	2018/19 Baseline	2019/20	2020/21	2021/22	2022/23	2023/24
Total (mandatory sources)*	16,722	14,774	14,422	13,146	13,675	13,915
Total (biogenic emissions)	127	71	102	65	4	141
~Total (supply chain)	34,426	33,895	35,200	34,217	30,864	32,444
Grand total	**51,275**	**48,740**	**49,724**	**47,428**	**44,542**	**46,512**

* Mandatory sources excluding biogenic emissions.

Challenges to decarbonisation

Our work in preventing and putting out fires reduces emissions from structure and wildfires and our operational emissions should be considered in that context. We estimate that our response to single family residential structure fires avoids approximately 51,000 tonnes of emissions each year.[34] Two of our largest mandatory sources of emissions are diesel for our Fire Appliances and the aircraft and helicopters we use to fight wildfires. Reducing emissions must be carried out without impacting the services we provide as this could result in more emissions from fires as well as other impacts.

This limits our options for reducing our total mandatory emissions by the science based target of 42 percent by 2030. We are therefore treating these two groups of emissions sources separately and have set targets to reduce all our other mandatory sources in line with a 1.5°C pathway. Applying a straight-line reduction track from our baseline to the first target in 2025, we are slightly off track, with emissions in 2023/24 being 0.9% over our target line. This reflects the challenges of our role as a response agency, with much of the increase coming from increased diesel use in our fire trucks, as well as a change in the emission factor for electricity.

Emissions reduction initiatives

Fleet

As of 30 June 2024, we have five battery electric vehicles and 32 plug-in hybrid vehicles. There are very few options available to replace our fire appliances and incident support vehicles. We are actively monitoring progress by suppliers and are developing an approach to trialling a low or no emissions fire truck once they are suitably available.

Travel

We have reduced travel emissions by maintaining lower levels of air travel and prioritising alternatives such as video calls instead of in-person meetings where appropriate. Our travel policy has driven a reduction in emissions from air travel of 40 percent since 2018. We are continuing to look for further opportunities to reduce emissions, and cost, from air travel.

Climate adaptation

As well as reducing our emissions, we are working to adapt to the impacts of climate change. We have undertaken a desktop review of our asset exposure to coastal inundation, sea level rise, and flood risk. With the support of NIWA and publicly available flood hazard maps produced by local government, we are identifying asset related climate risks across our portfolio.

34 From the draft *Climate Impact Research* report provided by Beca on 3 October 2024.

Pūrongo whakarōpū putanga
Output class reporting

Output class reporting for the year ended 30 June 2024 details the revenue and expenditure allocated to each of our reportable outputs compared with budget in the 2023/24 SPE.

The expense and revenue allocation policies are as follows:

Expense allocation
Fire and Emergency allocates expenses to outputs as follows:

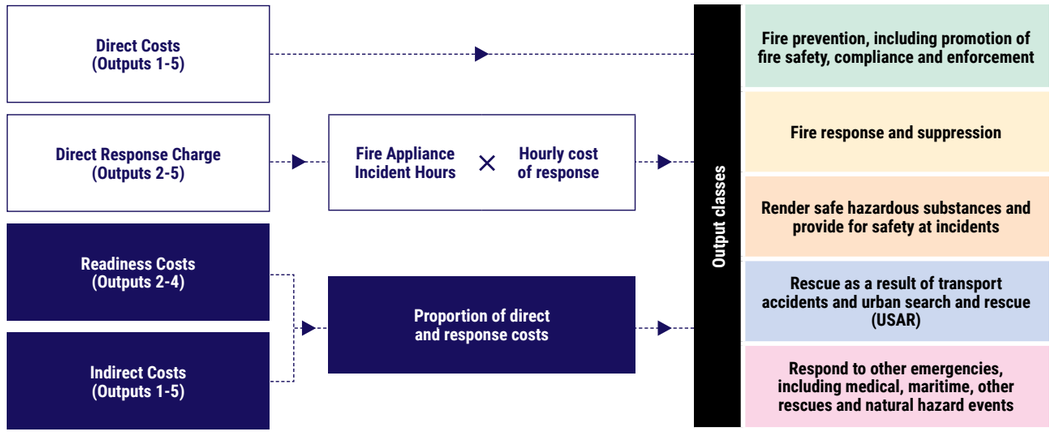
- Direct expenditure is calculated by allocating direct costs to specific outputs, as well as via resource allocations based on fire appliance time spent at incidents multiplied by an hourly cost of response (the 'direct response charge'). Fire Appliance Incident Hours for 2023/24 disclosed in the table opposite
- Readiness costs (operational costs not directly attributed above) are allocated to all Section 11 incident response and rescue outputs (output classes 2-4) based on the proportion of direct expenditure
- Indirect costs (including non-operational costs and corporate overheads) are allocated to outputs based on the proportion of direct expenditure.

Revenue allocation
The allocations of revenue to outputs are as follows:

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

The output class reporting methodology and model has been tested externally by PwC (December 2018) with a further review by Volte (March 2023).

Output class expenditure allocation model



Fire Appliance Incident Hours by Output Class

	2024 Actual Fire Appliance incident hours
Output class 1 — Fire prevention including promotion of fire safety, compliance and enforcement	-
Education	-
Advice on Building Design	-
Fire Prevention	-
Monitor and enforcement	-
Output class 2 — Fire response and suppression	**124,563**
Fire Response, Structue	44,236
Fire Response, Vegetation	44,020
Fire Response, Other	36,307
Output class 3 — Render safe hazardous substances and provide for safety at incidents	**2,454**
Hazardous Substances	2,454
Advice on Hazardous Substances	-
Output class 4 — Rescue as a result of transport accidents and urban search and rescue	**20,063**
Motor Vehicle Response	18,534
Urban Search and Rescue (USAR)	1,529
Output class 5 — Responding to other emergencies including medical, maritime, other rescues and natural hazard events	**17,946**
Medical response	10,540
Other responses	6,830
Natural disaster	575
Non-transport-related rescue	1
Ministerial Services	-
Total output classes and activities	**165,026**

Output summary

Total Outputs

	2024 Actual $000	2024 Budget $000
Levy	712,013	681,852
Other revenue	37,296	28,179
Total revenue	**749,309**	**710,031**
Total expenditure	**822,166**	**763,187**
Net Surplus / (Deficit)	**(72,857)**	**(53,156)**

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

	2024 Actual $000	2024 Budget $000
1.1 Promote fire safety		
Levy	29,239	26,714
Other revenue	2,232	2,192
Total revenue	**31,471**	**28,906**
Total expenditure	**33,763**	**29,898**
Net Surplus / (Deficit)	**(2,292)**	**(992)**
1.2 Provide fire prevention services		
Levy	3,016	2,905
Other revenue	230	239
Total revenue	**3,246**	**3,144**
Total expenditure	**3,482**	**3,252**
Net Surplus / (Deficit)	**(236)**	**(108)**
1.3 Assist in setting fire safety standards and granting certificates or approvals		
Levy	42,303	37,014
Other revenue	4,042	4,239
Total revenue	**46,345**	**41,253**
Total expenditure	**48,848**	**41,430**
Net Surplus / (Deficit)	**(2,503)**	**(177)**
1.4 Ensure compliance with standards through monitoring and enforcement		
Levy	4,658	4,068
Other revenue	356	334
Total revenue	**5,014**	**4,402**
Total expenditure	**5,378**	**4,553**
Net Surplus / (Deficit)	**(364)**	**(151)**
Total Output Class 1.0 Fire prevention including promotion of fire safety, compliance and enforcement		
Levy	79,216	70,701
Other revenue	6,860	7,004
Total revenue	**86,076**	**77,705**
Total expenditure	**91,471**	**79,133**
Net Surplus / (Deficit)	**(5,395)**	**(1,428)**

2.0 Fire response and suppression

	2024 Actual $000	2024 Budget $000
2.1 Response to fire		
Levy	478,868	462,363
Other revenue	14,383	14,939
Total revenue	**493,251**	**477,302**
Total expenditure	**552,954**	**517,516**
Net Surplus / (Deficit)	**(59,703)**	**(40,214)**

3.0 Render safe hazardous substances and provide for safety at incidents

3.1 Response to hazardous substances incidents		
Levy	12,446	13,039
Other revenue	350	387
Total revenue	**12,796**	**13,426**
Total expenditure	**14,371**	**14,594**
Net Surplus / (Deficit)	**(1,575)**	**(1,168)**
3.2 Assist in promoting the safe use of hazardous substances		
Levy	419	437
Other revenue	32	36
Total revenue	**451**	**473**
Total expenditure	**484**	**490**
Net Surplus / (Deficit)	**(33)**	**(17)**
Total Output Class 3.0 Render safe hazardous substances and provide for safety at incidents		
Levy	12,865	13,476
Other revenue	382	423
Total revenue	**13,247**	**13,899**
Total expenditure	**14,855**	**15,084**
Net Surplus / (Deficit)	**(1,608)**	**(1,185)**

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

	2024 Actual $000	2024 Budget $000
4.1 Response to transport accidents		
Levy	77,394	79,515
Other revenue	2,174	2,362
Total revenue	**79,568**	**81,877**
Total expenditure	**89,367**	**89,000**
Net Surplus / (Deficit)	**(9,799)**	**(7,123)**

4.2 Provide urban search and rescue (USAR) services		
Levy	32,857	24,412
Other revenue	1,296	1,043
Total revenue	**34,153**	**25,455**
Total expenditure	**37,940**	**27,324**
Net Surplus / (Deficit)	**(3,787)**	**(1,869)**

Total Output Class 4.0 Rescue as a result of transport accidents and urban search and rescue		
Levy	110,251	103,927
Other revenue	3,470	3,405
Total revenue	**113,721**	**107,332**
Total expenditure	**127,307**	**116,324**
Net Surplus / (Deficit)	**(13,586)**	**(8,992)**

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

	2024 Actual $000	2024 Budget $000
5.1 Assist in responding to medical emergencies		
Levy	15,798	13,736
Other revenue	6,333	1,128
Total revenue	**22,131**	**14,864**
Total expenditure	**18,242**	**15,376**
Net Surplus / (Deficit)	**3,889**	**(512)**

5.2 Assist in responding to other (non-medical-related) emergencies		
Levy	11,600	14,405
Other revenue	4,657	1,183
Total revenue	**16,257**	**15,588**
Total expenditure	**13,394**	**16,123**
Net Surplus / (Deficit)	**2,863**	**(535)**

5.3 Assist in responding to non-transport-related rescue incidents		
Levy	3,415	3,244
Other revenue	1,211	97
Total revenue	**4,626**	**3,341**
Total expenditure	**3,943**	**3,631**
Net Surplus / (Deficit)	**683**	**(290)**

Total Output Class 5.0 Responding to other emergencies including medical, maritime, other rescues and natural hazard events		
Levy	30,813	31,385
Other revenue	12,201	2,408
Total revenue	**43,014**	**33,793**
Total expenditure	**35,579**	**35,130**
Net Surplus / (Deficit)	**7,435**	**(1,337)**

Pūrongo a te Kaitātari Motuhake
Independent Auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Fire and Emergency New Zealand's financial statements and performance information for the year ended 30 June 2024

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

We have audited:

- the financial statements of Fire and Emergency on pages 98 to 145, that comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity, statement of cash flows and the statement of accounting policies for the year ended on that date and the notes to the financial statements that include other explanatory information; and
- the performance information which reports against Fire and Emergency's statement of performance expectations and appropriations for the year ended 30 June 2024 on pages 18 to 67, 69 to 71 and 84 to 89.

Opinion

Unmodified opinion on the financial statements

In our opinion, the financial statements of Fire and Emergency:

- present fairly, in all material respects:
  - its financial position as at 30 June 2024; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Qualified opinion on the performance information

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion* section of our report, Fire and Emergency's performance information for the year ended 30 June 2024:

- presents fairly, in all material respects, for each class of reportable outputs:
  - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
  - its actual revenue and output expenses compared with the forecasts included in the statement of performance expectations for the financial year; and
- presents fairly, in all material respects, for the appropriations:
  - what has been achieved with the appropriations; and
  - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to uncertainties in estimating the provision for non-compliance with the Holidays Act 2003. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

Performance information: Our work was limited in the prior year because performance data was not collected for some performance measures during July 2022 to December 2022

As outlined on page 21, performance data was not collected for certain output performance measures during July 2022 to December 2022, due to industrial action by New Zealand Professional Firefighters Union members. Because relevant performance data was not collected for those measures, the output performance data for the 2023 performance year, reported as comparative information, is incomplete.

Accordingly, our work in the 2023 performance year was limited and there were no audit procedures we could apply to the performance data for the affected output performance measures for the period July 2022 to December 2022, given the data was not collected. We were unable to determine whether the reported performance for the full year reflects the actual performance for the affected performance measures for the year ended 30 June 2023.

This issue has been resolved for the 2024 performance year. As the limitation on our work cannot be resolved for the 2023 performance year, Fire and Emergency's reported performance for these performance measures for the 30 June 2024 year may not be directly comparable to the reported performance for the same measures in the prior year.

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

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

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

Emphasis of matter – Uncertainties in estimating the provision for non-compliance with the Holidays Act 2003

Without further modifying our opinion, we draw your attention to Note 13 on pages 130 to 132 of the financial statements which outlines that Fire and Emergency has commenced a project to address identified areas of non-compliance with the Holidays Act 2003. Fire and Emergency has estimated a provision of $48 million to remediate these issues. However, until the remediation project has progressed further, there remains uncertainties surrounding the amount of this provision.

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

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

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

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 17, 68, 72 to 83, 94 to 97 and 146 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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

Andrew Clark
Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

Ā mātau pūrongo ahumoni
Our financials

Financial commentary

Fire and Emergency's performance is assessed against the budgets, targets and service standards set out in our Statement of Performance Expectations (SPE) – Te Tauākī o ngā Taumata Mahi me Tutuki. The 2023/24 SPE anticipated an operating deficit of $53.2 million as a result of settling the New Zealand Professional Firefighter's Union (NZPFU) Collective Employment Agreement (CEA) with the NZPFU in late 2022 and the timeframes required to increase levy rates to cover the additional costs of this settlement. On 1 July 2024, the transitional levy rates increased by 12.8% which is expected to return the organisation to operating surpluses going forward. The current years' operating deficit is supported by a repayable loan from the Crown.

Core expenditure for 2023/24 was close to expectations at $764 million, however a provision for remediation of historic payroll non-compliance of $58 million resulted in total expenditure lifting to $822 million. This additional expenditure was partially offset by increased income of $39 million, particularly from the levy, with the overall result a deficit of $72.9 million, almost $20 million more than budgeted.

Capital investment and cash reserves

Fire and Emergency plans future operating surpluses and holds significant cash and investment balances and has to date been conservative in forecasting the levy income. This is necessary for the reasons below.

Replacing Infrastructure

We manage nearly $1.42 billion of assets[35] that are essential to the delivery of fire and emergency services across Aotearoa New Zealand. Maintaining and replacing these assets is a key priority for us, so our personnel can respond safely and effectively for our communities.

Depreciation, as a non-cash expense in the income statement, provides a source of annual cash flow to replace assets. For Fire and Emergency, the amount of annual depreciation ($77 million this year) is below the level of required capital expenditure ($87 million), and these annual differences are expected to continue for the foreseeable future. Therefore depreciation is fully utilised in funding the replacement of assets on an ongoing basis. The difference arises from two factors. First, depreciation is based on the historical cost of assets, but replacement assets generally cost more than historical cost, meaning that depreciation provides insufficient funding to replace the asset. Second, a sizable proportion of Fire and Emergency's assets are fully depreciated, meaning that the annual depreciation charge doesn't reflect all assets in use.

We also have a Seismic Resilience Reserve, created in 2013 specifically to fund upgrades of fire stations and other buildings below the seismic loading standard required in the Building Act 2004.[36] This fund has been increased to $39.4 million, as we have developed a clearer understanding of these seismic risks and the costs to meet strengthening and rebuilding requirements.

We estimate that we still have over $3.1 billion more to invest in infrastructure and assets over the next 20 years to refurbish and replace existing assets as well as modify our resource base to respond to shifting climate, risk and incident patterns. We also need to provide for our move to a carbon efficient fleet to progress the Government's goal of becoming carbon neutral by 2025.

Repayment of Loans

Fire and Emergency has annual commitments to repay loans from the Government arising from funding for original costs of amalgamating the 40 legacy organisations in 2017 and the cost of higher firefighter wages following prolonged industrial bargaining. Loan repayments this year were $13 million.

35 Comprising the net book value of land, buildings, fire appliances and equipment as at 30 June 2024.

36 See Note 14 for more about these reserves.

Remediation of historic payroll non-compliance

As noted above, during the year we found that we have historically been and currently are, non-compliant with some payments required by the Holidays Act 2003 and KiwiSaver Compulsory Employer Contributions under the KiwiSaver Act 2006. The cost to remediate these historical matters are currently estimated at $58 million. To ensure we can make these payments as soon as practicable, funds have been held in term deposits (investments) while the detailed and complicated remediation calculations are completed.

Maintaining Liquidity

With limited ability to borrow, Fire and Emergency needs to hold a minimum of $50 million cash reserves to provide funding for working capital (money in the bank to fund day-to-day operations); a liquidity buffer (to allow for delayed levy payments and/or unexpected additional expenses); and extra costs incurred through a significant adverse event (for example, earthquake, major wildfire, widespread flooding).

In addition, in 2026/27 Fire and Emergency will experience a one-month delay in receiving levy income. This will happen when new levy provisions are implemented under Part 3 Levy, enabling levy payments to be paid one month later than is currently the case under the transitional levy. This creates a cash flow issue for the month where levy revenue is not received, so an increased cash reserve is needed to cover costs during this month. We have forecast that an additional $77 million of cash is needed to cover the transition to the Part 3 levy.

Summary of financial results

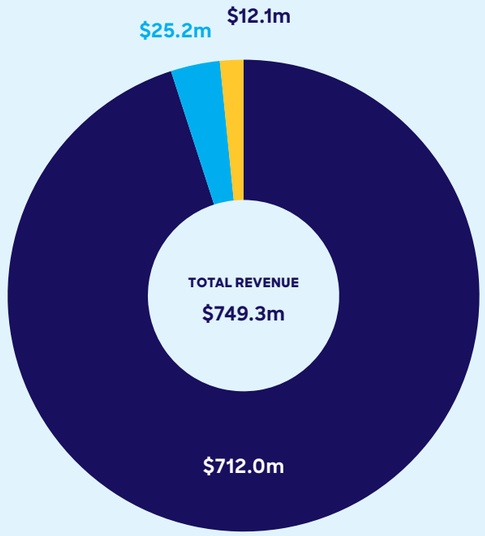
Fire and Emergency continued to deliver for New Zealand's communities while funding continued investment in strategic priorities such as the refurbishment and renewal of stations, fire truck renewals, progressing the replacement of a critical Human Resources Information System (HRIS), and launching Speak Safe @ Fair Way and the new Code of Conduct Te Tikanga Whanonga under the wider Eke Taumata project.

As noted above, excluding the impact of remediating historic payroll non-compliance, our financial results were positive, with revenue $39.3 million above budget and expenditure largely on budget, resulting in a $14.9 million operating deficit – significantly less than the budget deficit of $53.2 million. The estimated costs for remediating historic payroll non-compliance of $58 million takes the operating deficit to $72.9 million.

Despite the operating deficit, gains in property values resulted in an overall increase in net equity which, at $1.439 billion, was $7.1 million above budget.

A summary of the 2023/24 financial statements is provided below:

	2023/24 Actual $millions	2023/24 Budget $millions	Variance $millions
Revenue	749.3	710.0	39.3
Expenses	822.2	763.2	(59.0)
Net Surplus/(Deficit)	(72.9)	(53.2)	(19.7)
Assets	1,776.7	1,680.7	96.0
Liabilities	338.1	249.2	(88.9)
Equity	1,438.6	1,431.5	7.1



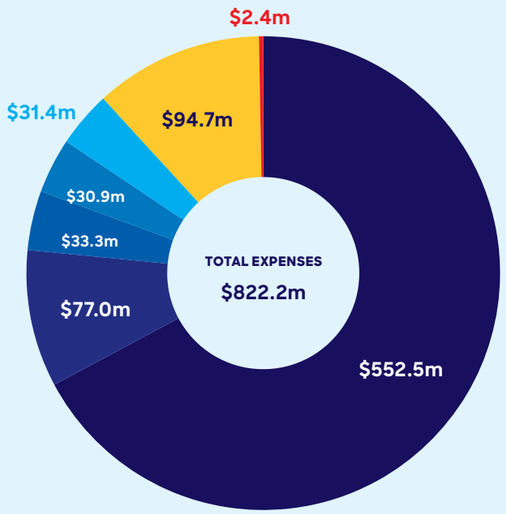
- FIRE AND EMERGENCY LEVIES
- OTHER REVENUE
- INTEREST REVENUE

Revenue

Revenue at $749.3 million was $39.3 million (6%) higher than budget.

The majority of revenue is received from levies on property, construction and motor vehicle insurance. Levy revenue was $712 million for the year, which was $30.2 million (4%) higher than budget. This was largely due to increased levy receipts from commercial and residential property.

Revenue other than levy was $37.3 million for the year. This was $9.1 million (32%) higher than budget largely due to cost recoveries for international wildfire deployments, and higher interest income earned on higher than planned cash balances.



- PERSONNEL COSTS
- DEPRECIATION AND AMORTISATION
- IT
- OCCUPANCY
- FLEET
- OTHER OPERATING COSTS
- FINANCE COSTS

Expenses

Expenses at $822.2 million were $59 million (8%) higher than budget.

The majority of operating expenses are personnel related, which include salaries and wages, superannuation, ACC levies, and employee and volunteer benefits. Personnel costs were $552.5 million for the year, which was $60.6 million higher than budget (12%). This is due to the identification of existing and historical areas of non-compliance with the Holidays Act 2003 and Compulsory KiwiSaver Employer Contributions, with the current estimate of $58 million to remediate included in expenditure for the year.

All other expenses totalled $269.7 million, $1.7 million (0.6%) lower than budget.

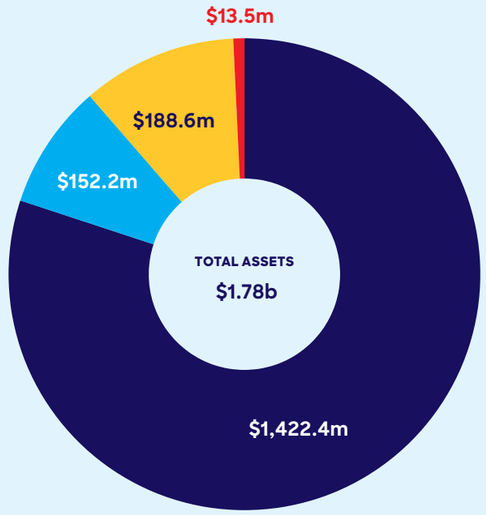
Assets

Assets were $1.78 billion, of which $1.42 billion is land, buildings, fire appliances and equipment, $188.6 million is cash and investments, and $165.7 million is receivables and other assets. The positive result compared to budget is largely due to the increased value of land and buildings which is revalued each year, and increased cash and investments held in reserve to fund future operating costs, remediate historical areas of payroll non-compliance, seismic upgrades, and replacement of capital assets.

During the year we invested $87.1 million in fire stations, fire appliances, motor vehicles, and other assets. This was $0.2 million below budget (0.2%).

Cash and Investments were $188.6 million at year end, $67.3 million higher than budget (55%). This is largely due to increased cash receipts from revenue and starting the year with a higher than budgeted cash position. There are ring-fenced investments of $58 million to fund the estimate of remediation of historical payroll non-compliance.

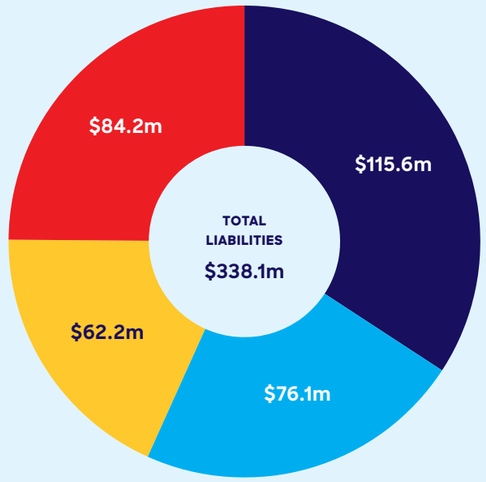
Receivables, the third largest asset category, was $152.2 million at year end. Over 90% of this is levies due where payment terms are governed by legislation.



- PROPERTY, FIRE APPLIANCES AND EQUIPMENT
- RECEIVABLES
- CASH
- OTHER ASSETS

Liabilities

Fire and Emergency continues to maintain a low level of liabilities compared to assets. Liabilities totalled $338.1 million at year end and included employee and volunteer leave and entitlements of $115.6 million and loans repayable to the Crown of $76.1 million. The increase above budget is largely due to the provision for historical payroll non-compliance and increased employee and volunteer benefits.



- EMPLOYEE AND VOLUNTEER LIABILITIES
- FUNDING REPAYABLE TO THE CROWN
- TRADE AND OTHER PAYABLES
- OTHER LIABILITIES

Statement of financial performance

For the year ended 30 June 2024

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Revenue				
Levy		712,013	681,852	673,261
Interest revenue		12,134	10,404	10,396
Other revenue	2	25,162	17,775	26,419
Total revenue		**749,309**	**710,031**	**710,076**
Expense				
Employee and volunteer benefits expense	3	552,508	491,867	485,008
Depreciation and amortisation expense	8,9	77,003	75,623	75,220
Finance cost		2,426	2,612	1,322
Other expense	4	190,229	193,085	175,749
Total expense		**822,166**	**763,187**	**737,299**
Net surplus/(deficit)		**(72,857)**	**(53,156)**	**(27,223)**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of other comprehensive revenue and expense

For the year ended 30 June 2024

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Net surplus/(deficit)		**(72,857)**	**(53,156)**	**(27,223)**
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Gain on revaluation of land and buildings	8	61,337	30,000	19,564
Total other comprehensive revenue and expense		**61,337**	**30,000**	**19,564**
Total comprehensive revenue and expense		**(11,520)**	**(23,156)**	**(7,659)**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of financial position

For the year ended 30 June 2024

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Assets				
Current assets				
Cash and cash equivalents	5	130,619	121,339	201,810
Trade and other receivables	6	152,220	138,640	140,900
Prepayments		2,321	4,503	4,756
Non-current assets held for sale		-	-	250
Investments	7	10,000	-	-
Total current assets		**295,160**	**264,482**	**347,716**
Non-current assets				
Investments	7	48,000	-	-
Property, plant and equipment	8	1,422,365	1,402,178	1,357,740
Intangible assets	9	11,218	14,040	5,232
Total non-current assets		**1,481,583**	**1,416,218**	**1,362,972**
Total assets		**1,776,743**	**1,680,700**	**1,710,688**
Liabilities				
Current liabilities				
Trade and other payables	10	62,171	45,918	51,843
Employee and volunteer benefits	11	67,132	52,665	71,028
Borrowings	12	16,096	15,717	16,038
Provisions	13	68,014	3,694	9,779
Other current liabilities		384	-	384
Derivative Financial Liabilities - Current	18	183	-	-
Total current liabilities		**213,980**	**117,994**	**149,072**
Non-current liabilities				
Employee and volunteer benefits	11	48,491	51,612	45,730
Borrowings	12	67,639	68,900	58,736
Provisions	13	7,497	10,709	6,155
Other non-current liabilities		481	-	865
Derivative Financial Liabilities - Non-current	18	45	-	-
Total non-current liabilities		**124,153**	**131,221**	**111,486**
Total liabilities		**338,133**	**249,215**	**260,558**
Net assets		**1,438,610**	**1,431,485**	**1,450,130**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Equity				
Accumulated funds	14	603,474	683,120	737,781
Seismic resilience reserve	14	39,429	31,372	33,317
Capital infrastructure investment reserve	14	-	-	2,531
Payroll Compliance Reserve	14	58,000	-	-
Crown funding injections	14	56,458	53,880	56,458
Revaluation reserves	14	681,249	663,113	620,043
Total equity		**1,438,610**	**1,431,485**	**1,450,130**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2024

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Equity as at 1 July		**1,450,130**	**1,454,641**	**1,457,789**
Total comprehensive revenue and expense		(11,520)	(23,156)	(7,659)
Equity as at 30 June	14	**1,438,610**	**1,431,485**	**1,450,130**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 Actual $000	2024 Budget $000	2023 Actual $000
Cash flows from operating activities				
Receipts from levy		705,140	678,242	669,332
Receipts from other revenue		32,865	17,571	25,457
Interest received		12,283	10,337	10,086
Net GST received		1,910	-	615
Payments to employees and volunteers		(494,384)	(477,864)	(472,202)
Payments to suppliers for goods and services		(193,814)	(199,299)	(176,435)
Net cash flow from operating activities		**64,000**	**28,987**	**56,853**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		375	-	4,143
Purchase of property, plant and equipment		(74,041)	(84,327)	(71,262)
Purchase of intangibles		(10,060)	(3,001)	(2,317)
Investment in Term Deposit		(58,000)	-	-
Net cash flow from investing activities		**(141,726)**	**(87,328)**	**(69,436)**
Cash flows from financing activities				
Proceeds from Crown Loan	12	25,000	25,000	25,400
Repayments of repayable Crown funding injection	12	(13,000)	(13,000)	(13,000)
Payments on finance leases		(3,356)	(2,769)	(3,223)
Interest paid		(2,109)	(1,981)	(823)
Net cash flow from financing activities		**6,535**	**7,250**	**8,354**
Net increase in cash and cash equivalents		(71,191)	(51,091)	(4,229)
Cash and cash equivalents at beginning of the year		201,810	172,430	206,039
Cash and cash equivalents at end of the year	5	**130,619**	**121,339**	**201,810**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

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

	Note	2024 Actual $000	2023 Actual $000
(Deficit)		**(72,857)**	**(27,223)**
Add/(subtract) non cash items			
Depreciation and amortisation expense		77,003	75,220
Interest amortisation		273	498
Donated assets		(95)	(327)
Total non cash items		**77,181**	**75,391**
Add/(less) items classified as investing or financing activities			
Losses on disposal of property, plant and equipment		661	1,488
Interest on finance leases		2,153	824
Total items classified as investing or financing activities		**2,814**	**2,312**
Add/(less) movements in working capital items			
(Increase) in trade and other receivables		(11,320)	(5,420)
(Increase)/Decrease in prepayments		2,435	(669)
Increase in trade and other payables		7,461	3,800
Increase /(Decrease) in employee and volunteer benefits		(1,135)	17,508
Increase /(Decrease) in provisions		59,421	(8,846)
Net movement in working capital items		**56,862**	**6,373**
Net cash inflow from operating activities		**64,000**	**56,853**

Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies for the year ended 30 June 2024

Reporting entity

Fire and Emergency New Zealand is a body constituted under the Fire and Emergency New Zealand Act 2017 (the Act). Fire and Emergency is a Crown entity as defined by the Crown Entities Act 2004. Fire and Emergency's ultimate parent is the New Zealand Crown. Fire and Emergency is a stand-alone entity. As a Crown entity, Fire and Emergency is a public body accountable to the Responsible Minister, Parliament and the New Zealand public for the statutory functions it undertakes, the services it delivers and the resources it manages.

The primary objective of Fire and Emergency is to reduce the incidence of unwanted fire and the associated risk to life and property, and through its main and additional functions to protect and preserve life, prevent or limit injury, and to prevent or limit damage to property, land and the environment. Fire and Emergency's functions are to deliver services to the New Zealand public rather than to make a financial return. Fire and Emergency has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

These financial statements for Fire and Emergency are for the year ended 30 June 2024 and were authorised for issue by the Board on 31 October 2024.

Basis of preparation

Statement of compliance

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

Fire and Emergency is a Tier 1 entity and the financial statements have been prepared in accordance with PBE International Public Sector Accounting Standards (PBE IPSAS). These financial statements comply with PBE Standards.

Presentation currency and rounding

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

Standards issued and not yet effective and not early adopted

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

Changes in accounting policies

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

Summary of significant accounting policies

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

Levy revenue

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

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

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

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

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

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

Budget figures
The budget figures were approved by the Board on 30 June 2023 as part of the 2023/24 Statement of Performance Expectations (SPE). The budget figures are unaudited and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical accounting estimates and assumptions
The preparation of financial statements in conforming with PBE IPSAS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are also reviewed on an ongoing basis and any changes to the estimates are recognised in the period in which they were revised. Any revision affecting future periods is recognised in the periods affected. Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the notes to the financial statements when they occur.

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

- Fair value of land and buildings – refer to Note 8
- Useful lives and residual value of property, plant and equipment – refer to Note 8
- Measuring long service leave and gratuities – refer to Note 11
- Levy receivables – refer to Note 6
- Payroll Compliance provision - Holidays Act 2003 – refer to Note 13.

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

- Lease classification – refer to Note 12.

2. Other revenue

Non-exchange revenue

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

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

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

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

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

Provision of services

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

Rental revenue

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

Donated assets

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

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

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

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

Donations, by their nature, vary each year. Donations this year consist of a contribution for a volunteer station upgrade, as well as two vehicle donations.

	2024 Actual $000	2023 Actual $000
Non-exchange revenue		
Public good contributions	10,000	10,000
Good corporate citizen contributions	2,234	3,947
Donations	541	351
Total non-exchange other revenue	**12,775**	**14,298**
Exchange revenue		
Monitoring private fire alarms	1,624	1,570
Gain on disposal of property, plant and equipment	437	263
Insurance proceeds	675	589
Rental revenue	447	321
Miscellaneous revenue	9,204	9,378
Total exchange other revenue	**12,387**	**12,121**
Total other revenue	**25,162**	**26,419**

3. Employee and volunteer benefits expenses

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

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

	2024 Actual $000	2023 Actual $000
Salaries and wages	400,487	398,473
Employer contributions to superannuation schemes	31,932	31,435
ACC levies	6,484	4,009
Remediation of Payroll Non-Compliance	58,000	-
Other employee and volunteer benefits expense	55,605	51,091
Total employee and volunteer benefits expense	**552,508**	**485,008**

Remuneration of employees

	2024 Actual	2023 Actual
Total remuneration paid or payable		
$100,000–$109,999	174	175
$110,000–$119,999	213	235
$120,000–$129,999	298	265
$130,000–$139,999	346	290
$140,000–$149,999	285	303
$150,000–$159,999	255	295
$160,000–$169,999	184	210
$170,000–$179,999	170	190
$180,000–$189,999	132	139
$190,000–$199,999	126	85
$200,000–$209,999	96	72
$210,000–$219,999	63	65
$220,000–$229,999	43	34
$230,000–$239,999	31	21
$240,000–$249,999	16	14
$250,000–$259,999	15	12
$260,000–$269,999	8	7
$270,000–$279,999	1	3
$280,000–$289,999	7	2
$290,000–$299,999	3	5
$300,000–$309,999	1	3
$310,000–$319,999	3	4
$320,000–$329,999	1	-
$330,000–$339,999	2	-
$340,000–$349,999	2	1
$350,000–$359,999	1	-
$360,000–$369,999	1	1
$380,000–$389,999	1	1
$390,000–$399,999	1	-
$400,000–$409,999	1	-
$470,000–$479,999	-	1
$490,000–$499,999	1	-
Total employees	**2,481**	**2,433**

Firefighters included in the remuneration information above were:

	2024 Actual	2023 Actual
Number of firefighters with remuneration over $100,000	1,567	1,563
Firefighters as a percentage of total employees over $100,000	63%	64%
Top firefighter remuneration range	299,999	309,999

The remuneration values disclosed above include base pay and additional payments such as call-backs and overtime. Consequently, events such as severe weather where firefighters work extra hours to attend weather related call-outs over the period of the event have an impact on the number of employees included in the >$100,000 banding.

Other payments to employees and volunteers

Gratuities were paid out in accordance with the Act and Fire and Emergency policies to employees and volunteers who leave Fire and Emergency following a minimum of 10 years' service. There were 86 employees (2023: 76 employees) and 174 volunteers (2023: 154 volunteers) who received gratuities, costing a total of $3.35 million (2023: $2.47 million) and $0.42 million (2023: $0.38 million) respectively.

During the year, 17 employees were paid severances costing a total of $0.86 million (2023: 6 employees, $0.55 million).

Defined benefit scheme

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

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

In the most recent report at 31 March 2024, the scheme had a past service deficit of $0.17 million or 1% of the liabilities (exclusive of Employer Superannuation Contribution Tax) (2023: surplus of $0.23 million or 1.1% of the liabilities). This deficit was calculated using a discount rate equal to the expected return on assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39 Employee Benefits.

The scheme had 29 members at 31 March 2024. One is a current employee of Fire and Emergency.

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

4. Other expenses

Operating leases

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

Other expenses

Other expenses are recognised as goods and services are received.

	2024 Actual $000	2023 Actual $000
Occupancy	30,911	30,238
Fleet	31,442	27,043
Professional fees and consultants	26,642	22,999
Computer maintenance and support	23,365	21,757
Operational clothing, equipment and consumables	20,355	18,039
Travel	13,613	13,312
Communications	9,983	10,293
Publicity and advertising	5,849	6,164
Repairs and maintenance	5,054	4,927
Insurance	5,431	4,885
Grants	3,985	3,551
Hire of aerial services	6,475	3,213
Purchase of equipment < $1,000	1,517	1,754
Loss on disposal of property, plant and equipment	1,098	1,751
Research and development	1,169	1,719
Printing, stationery and postage	1,426	1,621
Auditors - Audit New Zealand fees for statutory audit	301	279
Other audit fees for other services	212	242
Remuneration of the Board	196	200
Impairment of receivables	1	96
Other expenses	1,204	1,666
Total other expenses	**190,229**	**175,749**

Operating lease expense

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

	2024 Actual $000	2023 Actual $000
Occupancy - property leases	7,436	6,723
Occupancy - car park leases	189	257
Fleet - vehicle leases	5,348	4,053
Total operating lease payments	**12,973**	**11,033**

Remuneration of the Board and Committee members

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

		2024 Actual $000	2023 Actual $000
Rebecca Keoghan	Chair	64	64
Hon. Ruth Dyson	Deputy Chair	32	18
Danny Tuato'o	Member	25	25
Mary-Anne Macleod	Member	25	25
Amit Prasad	Member	25	21
Belinda Clark	Member	25	14
Malcolm Inglis	Deputy Chair (to December 2022)	-	15
Wendie Harvey	Member (to December 2022)	-	13
Gwendoline Tepania-Palmer	Member (to September 2022)	-	5
Total Board remuneration		**196**	**200**
Murray Coppersmith	Chair of Audit and Risk Committee, Chair of the Financial Sustainability and Investment Committee	32	18
Total Board and Committee remuneration		**228**	**218**

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

No Board or Committee members received compensation or other benefits relating to cessation (2023: $nil).

5. Cash and cash equivalents

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

	2024 Actual $000	2023 Actual $000
Cash on hand and in bank	65,619	106,810
Short term deposits	65,000	95,000
Total cash and cash equivalents	**130,619**	**201,810**

Cash and cash equivalents were $130.62 million at year end. Cash is held in reserve to fund:

- Operating Cash Flow – minimum cash balances of $50 million are required for Working Capital, a liquidity buffer, and to fund significant adverse events
- Seismic Resilience – upgrades of buildings at seismic risk
- Capital Infrastructure – capital programmes which have been deferred due to the Christchurch Rebuild and disruptions to the production of fire appliances. This funding was completely utilised by 31 January 2024
- Capital Investment – replacement of fleet vehicles and buildings which are at the end of their useful life
- Delay in Levy Receipts – future delays in the payment of levies when new levy provisions are implemented under part 3 of the Act.

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

Sensitivity analysis

The weighted average effective interest rate for term deposits at 30 June 2024 was 6.18 percent (2023: 5.86 percent). As at 30 June 2024, if the interest rates increased/decreased by 25 basis points, the interest revenue for the year and accumulated funds would increase/decrease by $0.47 million (2023: $0.51 million).

Cash and cash equivalents management

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

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

In addition to the minimum cash reserves, as at June 2024, $39.43 million (2023: $35.85 million) was ring-fenced to support the following reserves:

	Note	2024 Actual $000	2023 Actual $000
Seismic resilience reserve	14	39,429	33,317
Capital infrastructure investment reserve	14	-	2,531
Total reserves supported by cash and cash equivalents		**39,429**	**35,848**

6. Trade and other receivables

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

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

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

	2024 Actual $000	2023 Actual $000
Receivables under non-exchange transactions		
Levy receivables	141,462	134,345
Total receivables under non-exchange transactions	**141,462**	**134,345**
Receivables under exchange transactions		
Other receivables	11,142	6,938
Less: allowance for credit losses	(384)	(383)
Total receivables under exchange transactions	**10,758**	**6,555**
Total receivables	**152,220**	**140,900**

Trade and other receivables mainly arise from Fire and Emergency's statutory functions, and the carrying value approximates their fair value. Fire and Emergency does not have any significant concentration of credit risk in relation to trade and other receivables. There are no procedures in place to monitor or report the credit quality with reference to internal or external credit ratings. No collateral is held as security for any trade and other receivables, and Fire and Emergency's credit exposures are limited to the individual balances. Fire and Emergency does not have any receivables at year end (2023: $nil) that would otherwise be past due, but not impaired, whose terms have been renegotiated.

Allowance for credit losses

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

Critical accounting estimate and assumption

Levy receivables

Levy receivables includes accrued levy. As information on levies charged is received by Fire and Emergency in arrears, a model is used to estimate the accrued levy. This detailed levy forecast model uses information within Fire and Emergency's levy database, as well as a number of external drivers. The model is subject to judgement on the amount of levy that will be received.

7. Investments

Bank term deposits

Bank term deposits are initially measured at the amount invested. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

	2024 Actual $000	2023 Actual $000
Current investments		
Term Deposits	10,000	-
Total current investments	**10,000**	**-**
Non-current investments		
Term Deposits	48,000	-
Total non-current investments	**48,000**	**-**
Total investments	**58,000**	**-**

Fire and Emergency considers there is no significant credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term A and AA- investment grade credit ratings, which indicates the bank has a very strong capacity to meet its financial commitments. No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

The carrying amounts of term deposits with maturities of 12 months or less approximate their fair value.

The fair value of term deposits with remaining maturities in excess of 12 months is $49.7 million (2023: Nil). The fair values are based on discounted cash flows using market quoted interest rates for term deposits with terms to maturity similar to the relevant investments.

Term deposit management

As at June 2024, $58 million (2023: Nil) is ring-fenced to support the Payroll Compliance Reserve. The maturity dates of these term deposits are set to align with the expected remediation of historical payroll non-compliance.

8. Property, plant and equipment

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

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

Revaluations

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

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

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

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

Additions

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

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

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

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

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

Disposals

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

Depreciation

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

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

Buildings	Up to 80 years
Fire Appliances	Up to 30 years
Motor Vehicles	Up to 20 years
Communications Equipment	Up to 10 years
Computer Equipment	Up to 4 years
Operational Equipment	Up to 12 years
Non operational Equipment	Up to 15 years
Leasehold Improvements	Up to 30 years

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

Impairment

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

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Impairment exists when the 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.

For the year ended 30 June 2024

	Land	Buildings	Fire appliances	Motor vehicles	Communications equipment	Operational equipment	Non operational equipment	Computer equipment	Leasehold improvements	Total
	$000									
Cost or valuation	462,618	618,738	392,472	9,723	48,002	141,162	43,604	32,634	11,934	1,760,887
Accumulated depreciation	-	-	(222,519)	(6,791)	(26,737)	(91,687)	(28,815)	(17,262)	(9,336)	(403,147)
Net book value at beginning of year	**462,618**	**618,738**	**169,953**	**2,932**	**21,265**	**49,475**	**14,789**	**15,372**	**2,598**	**1,357,740**
Acquisitions	8,007	15,984	26,031	307	5,326	11,275	6,821	325	3,861	77,937
Disposals	-	-	(5,564)	(112)	(13)	(6,494)	-	-	-	(12,183)
Transfers	(538)	(10)	947	(1,101)	2,852	462	(1,400)	(1,083)	(157)	(28)
Revaluation movement	(9,156)	41,915	-	-	-	-	-	-	-	32,759
Depreciation expense	-	(28,578)	(23,165)	(90)	(6,312)	(8,501)	(4,098)	(2,463)	(684)	(73,891)
Accumulated depreciation reversed on disposal	-	-	5,064	96	13	6,280	-	-	-	11,453
Accumulated depreciation reversed on revaluation	-	28,578	-	-	-	-	-	-	-	28,578
Cost or valuation	460,931	676,627	413,886	8,817	56,167	146,405	49,025	31,876	15,638	1,859,372
Accumulated depreciation	-	-	(240,620)	(6,785)	(33,036)	(93,908)	(32,913)	(19,725)	(10,020)	(437,007)
Net book value at end of year	**460,931**	**676,627**	**173,266**	**2,032**	**23,131**	**52,497**	**16,112**	**12,151**	**5,618**	**1,422,365**
Includes assets under construction	161	36,687	33,594	293	11,051	16,133	1,328	9,767	232	109,246
Includes finance leases	-	-	-	-	7,032	-	-	-	-	7,032

For the year ended 30 June 2023

	Land	Buildings	Fire appliances	Motor vehicles	Communications equipment	Operational equipment	Non operational equipment	Computer equipment	Leasehold improvements	Total
					$000					
Cost or valuation	482,214	576,255	381,996	8,971	44,874	135,106	41,968	26,293	11,596	1,709,273
Accumulated depreciation	-	-	(204,706)	(6,452)	(22,774)	(84,608)	(27,256)	(14,122)	(8,907)	(368,825)
Net book value at beginning of year	**482,214**	**576,255**	**177,290**	**2,519**	**22,100**	**50,498**	**14,712**	**12,171**	**2,689**	**1,340,448**
Acquisitions	2,192	32,874	13,505	687	3,146	10,691	713	6,978	676	71,462
Disposals	(1)	(1,661)	(4,473)	(370)	(68)	(3,253)	(11)	(26)	(1,879)	(11,742)
Transfers	(860)	(2,089)	1,444	435	50	(1,382)	934	(611)	1,541	(538)
Revaluation movement	(20,927)	13,359	-	-	-	-	-	-	-	(7,568)
Depreciation expense	-	(27,132)	(22,146)	(703)	(3,963)	(10,051)	(1,561)	(3,140)	(2,294)	(70,990)
Accumulated depreciation reversed on disposal	-	-	4,333	364	-	2,972	2	-	1,865	9,536
Accumulated depreciation reversed on revaluation	-	27,132	-	-	-	-	-	-	-	27,132
Cost or valuation	462,618	618,738	392,472	9,723	48,002	141,162	43,604	32,634	11,934	1,760,887
Accumulated depreciation	-	-	(222,519)	(6,791)	(26,737)	(91,687)	(28,815)	(17,262)	(9,336)	(403,147)
Net book value at end of year	**462,618**	**618,738**	**169,953**	**2,932**	**21,265**	**49,475**	**14,789**	**15,372**	**2,598**	**1,357,740**
Includes assets under construction	94	35,028	22,359	678	8,767	13,645	1,081	14,739	62	96,453
Includes finance leases	-	-	-	-	10,155	279	-	-	-	10,434

Critical accounting estimate and assumption

Estimating the fair value of land and buildings

The most recent valuation of land and buildings was performed by an independent registered valuer, CBRE Ltd. The valuation is effective as at 30 June 2024.

All properties are inspected in a three-year cycle, and a desktop valuation exercise is carried out on those properties that are not physically inspected. Fire and Emergency had 520 properties (2023: 518) in its property portfolio at year end, of which 243 (2023: 130) were inspected during the year (representing 47 percent of the portfolio).

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

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

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

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

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

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

Fire and Emergency requires a minimum standard for earthquake resilience of at least 34 percent of the New Building Standard (NBS) at Importance Level 4 (IL4) of the current seismic loading standard as defined in the Building Act 2004 for fire stations (and other operational areas).

Property, plant and equipment useful lives and residential value

The useful lives and residual values of property, plant and equipment are reviewed at each balance date. Assessing the appropriateness of useful life and residual value estimates requires Fire and Emergency to consider a number of factors, such as the physical condition, expected period of use and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of financial position. Fire and Emergency minimises the risk of this estimation process by:

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

As at 30 June 2024, Fire and Emergency has not made any significant changes to past estimates of useful lives and residual values.

9. Intangible assets

Intangible assets comprise computer software and the Shared Information Technology Environment (SITE). Intangible assets are shown at cost less accumulated amortisation and impairment losses.

Computer software

Costs are capitalised as computer software when they create a new asset or increase the future economic benefits of an existing asset. Costs capitalised for acquired computer software licences include the costs incurred to acquire the software and bring it into use. Costs capitalised for internally developed computer software include the costs incurred in the development phase only. Expense incurred on research is recognised in the surplus or deficit, as well as costs that do not meet the criteria for capitalisation (including staff training and software maintenance).

Shared Information Technology Environment (SITE)

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

Disposals

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

Amortisation

Amortisation is charged to the surplus or deficit on a straight line basis at rates estimated to write off the cost of an asset, less any residual value, over its useful life.

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

Computer software internally generated	Up to 10 years
Computer software purchased	Up to 10 years
SITE	Up to 10 years

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

Impairment of intangible assets

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

For the year ended 30 June 2024

	Computer software (internally generated)	Computer software (purchased)	Shared Information Technology Environment (SITE)	Total
	$000	$000	$000	$000
Cost or valuation	25,574	24,620	18,958	69,152
Accumulated amortisation	(21,768)	(23,393)	(18,759)	(63,920)
Net book value at beginning of year	**3,806**	**1,227**	**199**	**5,232**
Acquisitions	9,126	-	-	9,126
Disposals	-	-	-	-
Transfers	-	-	(28)	(28)
Amortisation expense	(1,776)	(1,227)	(109)	(3,112)
Accumulated amortisation reversed on disposal	-	-	-	-
Cost or valuation	34,700	24,620	18,930	78,250
Accumulated amortisation	(23,544)	(24,620)	(18,868)	(67,032)
Net book value at end of year	**11,156**	**-**	**62**	**11,218**
Includes assets under construction	2,526	-	13	2,539

For the year ended 30 June 2023

	Computer software (internally generated)	Computer software (purchased)	Shared Information Technology Environment (SITE)	Total
	$000	$000	$000	$000
Cost or valuation	23,964	24,620	18,958	67,542
Accumulated amortisation	(19,016)	(22,075)	(18,599)	(59,690)
Net book value at beginning of year	**4,948**	**2,545**	**359**	**7,852**
Acquisitions	1,382	-	-	1,382
Disposals	(384)	-	-	(384)
Transfers	612	-	-	612
Amortisation expense	(2,752)	(1,318)	(160)	(4,230)
Accumulated amortisation reversed on disposal	-	-	-	-
Cost or valuation	25,574	24,620	18,958	69,152
Accumulated amortisation	(21,768)	(23,393)	(18,759)	(63,920)
Net book value at end of year	**3,806**	**1,227**	**199**	**5,232**
Includes assets under construction	3,077	-	41	3,118

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

10. Trade and other payables

Short-term payables are recorded at the amount payable.

	2024 Actual $000	2023 Actual $000
Payables under exchange transactions		
Trade payables	10,141	14,023
Accrued expenses	22,474	22,472
Total payables under exchange transactions	**32,615**	**36,495**
Payables under non exchange transactions		
Accident compensation	659	509
Levy in advance	3,592	3,348
Income in advance	11,755	2
Taxation payables (GST, PAYE, FBT)	13,550	11,489
Total payables under non exchange transactions	**29,556**	**15,348**
Total payables	**62,171**	**51,843**

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.

11. Employee and volunteer benefits

Current employee and volunteer benefits

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

Non-current employee and volunteer benefits

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

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

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

	2024 Actual $000	2023 Actual $000
Current employee and volunteer benefits		
Accrued salaries and wages	6,842	5,960
Annual leave	48,627	50,686
Long service leave and gratuities	11,663	14,382
Total current employee and volunteer benefits	**67,132**	**71,028**
Non-current employee and volunteer benefits		
Long service leave and gratuities	48,491	45,730
Total non-current employee and volunteer benefits	**48,491**	**45,730**
Total employee and volunteer benefits	**115,623**	**116,758**

Critical accounting estimate and assumption

Measuring long service leave and gratuities

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

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

The discount rate used ranged from 4.25 percent to 5.36 percent (2023: 4.19 percent to 5.43 percent) and salary inflation factor of 2.5 percent (2023: 2.5 percent) was used.

If the discount rate was 1 percent lower from that used, with all other factors held constant, the carrying amount of the liability would be an estimated $5.77 million higher (2023: $5.49 million higher).

If the salary inflation factor was 1 percent higher from that used, with all other factors held constant, the carrying amount of the liability would be an estimated $5.75 million higher (2023: $5.45 million higher).

The valuations of long service leave and gratuities as at 30 June 2024 were conducted by an independent actuary, Eriksens Global.

12. Borrowings

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

Interest Bearing Crown Loan

This liability is classified as a loan and is interest-bearing and fully repayable. The effective interest rate is based on the three-month bank bill rate plus an added margin for each deal. As at 30 June 2024, the applicable margins are 16.5 and 31.5 basis points (2023: 15 basis points). The loan is subsequently measured at amortised cost using the effective interest method. The loan must be repaid in full by 30 June 2033.

Repayable Crown funding injection

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

Finance leases

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

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

	2024 Actual $000	2023 Actual $000
Current borrowings		
Repayable Crown funding injection	12,842	12,683
Finance leases	3,254	3,355
Total current borrowings	**16,096**	**16,038**
Non-current borrowings		
Repayable Crown funding injection	12,890	25,732
Repayable Crown Loan	50,400	25,400
Finance leases	4,349	7,604
Total non-current borrowings	**67,639**	**58,736**
Total borrowings	**83,735**	**74,774**

Repayable Crown funding injection

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

The funding injection is to be repaid over nine years from levy receipts, with the first instalment being paid on 29 June 2018 and the final instalment to be made by 30 June 2026. The carrying value of Crown borrowings due to the funding injection as at 30 June 2024 was $25.73 million (2023: $38.42 million) as set out below. The carrying value is based on cash flows discounted using the spot discount rate.

	2024 Actual $000	2023 Actual $000
Face value at the beginning of the year	38,939	51,939
Additional funding injection at face value	-	-
Deduct funding repayment at face value	(13,000)	(13,000)
Repayable Crown funding injection at face value	**25,939**	**38,939**
Deduct fair value adjustment at initial recognition	(5,158)	(5,158)
Accumulated interest amortisation	4,951	4,634
Carrying value at the end of year	**25,732**	**38,415**

Interest Bearing Crown Loan

The Crown approved funding for a loan of up $75.40 million in 2023 to ensure that Fire and Emergency could maintain liquidity until a levy rate increase could be approved and implemented following settlement of the Collective Employment Agreement with the NZPFU on 6 December 2022.

The drawdowns will be spread evenly across the next three financial years and must be repaid in full by 30 June 2033. The principal is to be repaid annually and evenly at approximately $10 million over 8 years, commencing on the third anniversary of the first drawdown (starting 2025/26). Early repayments can be made and interest is paid quarterly from the first drawdown.

The carrying value of Crown borrowings as at 30 June 2024 was $50.40 million (2023: $25.40 million) as set out below. The carrying value is based on the remaining principal of the loan.

	2024 Actual $000	2023 Actual $000
Carrying value at the beginning of the year	25,400	-
Loan Drawdowns in current year	25,000	25,400
Repayable Crown funding injection at face value	**50,400**	**25,400**

Analysis of finance leases

Year ended 30 June 2024

	Radio equipment $000	Total $000
Minimum lease payments payable		
Not later than one year	3,638	3,638
Later than one year and not later than five years	4,547	4,547
Later than five years	-	-
Total minimum lease payments	**8,185**	**8,185**
Future finance charges	(582)	(582)
Present value of minimum lease payments	**7,603**	**7,603**
Present value of minimum lease payments payable		
Not later than one year	3,254	3,254
Later than one year and not later than five years	4,349	4,349
Later than five years	-	-
Total present value of minimum lease payments	**7,603**	**7,603**

Year ended 30 June 2023

	Radio equipment $000	Gas Detectors $000	Total $000
Minimum lease payments payable			
Not later than one year	3,638	300	3,938
Later than one year and not later than five years	8,186	-	8,186
Later than five years	-	-	-
Total minimum lease payments	**11,824**	**300**	**12,124**
Future finance charges	(1,154)	(11)	(1,165)
Present value of minimum lease payments	**10,670**	**289**	**10,959**
Present value of minimum lease payments payable			
Not later than one year	3,066	289	3,355
Later than one year and not later than five years	7,604	-	7,604
Later than five years	-	-	-
Total present value of minimum lease payments	**10,670**	**289**	**10,959**

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

Critical judgement in applying accounting policies

Lease classification

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

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

Fire and Emergency typically enters into finance leases for various items of plant and equipment and these are effectively secured, as the rights to the leased asset revert to the lessor in the event of default. The net carrying value of assets held under finance leases is included in Note 8.

13. Provisions

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

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

Accident Compensation Corporation Partnership Programme (ACCPP)

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

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

Employee benefits provision

The employee benefits provision includes items related to various future employee related expenses. This is made up of amounts for:

- cancer related claims
- NZPFU members insurance reimbursements
- backpay on annual leave

Loss of medical scheme

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

Lease make-good

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

PFAS

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

Payroll compliance provision

The payroll compliance provision was established in the 2023/24 year to fund the current estimate of remediation of historical areas of payroll non-compliance with Compulsory Employer Contributions (CECs) under the Kiwisaver Act 2006 ($10 million) and the Holidays Act 2003 ($48 million).

Fire and Emergency makes employer contributions to employee superannuation schemes, including FireSuper. Notwithstanding, it has been identified that Fire and Emergency is also required to make CECs under the Kiwisaver Act 2006 in addition to the FireSuper scheme where employees contribute to both schemes, and their contributions to FireSuper are not to the complying fund. Fire and Emergency has sought external advice on remediating this non-compliance and has provisionally estimated the underpayment of employer contributions at $10 million.

The remediation of historical non-compliance with the Holidays Act 2003 is a critical accounting estimate, further explained below.

Critical accounting estimate and assumption

Payroll compliance provision – Holidays Act 2003

As part of the programme of work to implement a new payroll solution, Fire and Emergency commissioned an audit to ensure the new payroll system would be legally compliant. This identified a variety of issues with current payroll processes, practices, and supporting technology, some of which represent significant non-compliances, predominantly with Holidays Act 2003 legislation. This significantly impacts frontline staff, where calculating entitlements under the Holidays Act 2003 is complex due to the number of leave types involved and dynamic shift patterns.

Following these findings, a project was established to address the areas of non-compliance and to remediate for associated payments of incorrect entitlements back to October 2017. Considerable work is required to accurately assess the full scope of non-compliances, develop forward focused solutions, calculate and apply remediation payments. A provisional 24 month delivery period from July 2024 was estimated at the commencement of the project prior to the scope being fully developed. It is envisaged that timelines for implementation of solutions and remediation payments may extend beyond this period due to significant dependencies present with other programmes of work.

Notwithstanding, as at 30 June 2024, in preparing these financial statements, Fire and Emergency recognises it has an obligation to address the historical non-compliance under the Holidays Act 2003 and has made a provisional estimate to determine a potential liability based on our current understanding of the non-compliance. This was primarily based on making assumptions on the days and extent of overtime worked by frontline staff. This provisional estimate has been calculated at $48 million as at 30 June 2024. Management have also considered how the provision would be impacted under a range of reasonably possible outcomes, which have an estimated impact of decreasing the required remediation by approximately $11 million or increasing the required remediation by approximately $14 million.

This provisional estimate is Fire and Emergency's best estimate at this stage of the remediation project. However, until the remediation project has progressed further, there remains uncertainties which present significant risks in the estimated provision.

The estimates and assumptions may differ to the subsequent actual results as further work is completed and may result in further adjustments to the carrying amount of the provision within the next financial year.

For the year ended 30 June 2024

	ACC Partnership Programme	Payroll Compliance	Employee Benefits provision	Lease make good	PFAS	Loss of medical scheme	Total
	$000	$000	$000	$000	$000	$000	$000
Opening balance	4,663	-	4,930	5,768	400	173	15,934
Additional provisions made	1,684	58,000	1,145	283	-	1	61,113
Amounts used	-	-	(616)	(130)	-	-	(746)
Unused amounts reversed	-	-	85	(741)	(134)	-	(790)
Closing balance	**6,347**	**58,000**	**5,544**	**5,180**	**266**	**174**	**75,511**
Current portion	2,913	58,000	5,544	1,117	266	174	68,014
Non-current portion	3,434	-	-	4,063	-	-	7,497

For the year ended 30 June 2023

	ACC Partnership Programme	Employee Benefits provision	Lease make good	PFAS	Loss of medical scheme	Total
	$000	$000	$000	$000	$000	$000
Opening balance	4,508	12,491	6,694	530	173	24,396
Additional provisions made	155	4,879	206	-	-	5,240
Amounts used	-	(11,964)	(898)	-	-	(12,862)
Unused amounts reversed	-	(476)	(234)	(130)	-	(840)
Closing balance	**4,663**	**4,930**	**5,768**	**400**	**173**	**15,934**
Current portion	2,288	4,930	1,988	400	173	9,779
Non-current portion	2,375	-	3,780	-	-	6,155

14. Equity

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

Seismic Resilience Reserve

Fire and Emergency requires a minimum standard for earthquake resilience of at least 34 percent of the New Building Standard (NBS) at Importance Level 4 (IL4) of the current seismic loading standard as defined in the Building Act 2004 for fire stations (and other operational areas). The Seismic resilience reserve was established in 2013 to ring-fence funds for the required upgrades. When Fire and Emergency approves a programme of works for seismic remediation (either strengthening or replacement) they are included in the reserves. The current programme comprises expected costs to complete works ongoing or commencing in the 2024/25 year.

Capital Infrastructure Investment Reserve

The Capital Infrastructure Investment Reserve was established to track the balance of funds required to complete capital programmes deferred due to a focus on rebuilding Christchurch post-earthquake and to manage a gap in the production of Type 3 appliances. This funding was completely utilised by 31 January 2024.

Revaluation Reserves

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

Payroll Compliance Reserve

The Payroll Compliance reserve was established in 2023/24 to ring-fence funds associated with payroll compliance obligations identified during the year. This is a cash-backed reserve that is tied to term deposits of the equivalent value. The maturity dates of these term deposits are set to align with the expected remediation of historical payroll non-compliance.

	Note	2024 Actual $000	2023 Actual $000
Accumulated funds			
Balance at beginning of year		737,781	754,211
Surplus for the year		(72,857)	(27,223)
Transfer (to)/from Capital Infrastructure Reserve		2,531	4,103
Transfer (to)/from Seismic Resilience Reserve		(6,112)	4,055
Transfer (to)/from Payroll Compliance Reserve		(58,000)	-
Transfers from disposal of land and buildings		131	2,635
Balance at 30 June		**603,474**	**737,781**
Seismic Resilience Reserve			
Balance at beginning of year		33,317	37,372
Transfer from/(to) accumulated funds		6,112	(4,055)
Balance at 30 June		**39,429**	**33,317**
Capital Infrastructure Investment Reserve			
Balance at beginning of year		2,531	6,634
Transfer from/(to) accumulated funds		(2,531)	(4,103)
Balance at 30 June		**-**	**2,531**
Crown funding injections			
Balance at beginning of year		56,458	56,458
COVID-19 Response and Recovery Fund		-	-
Repayable Crown funding injection fair value adjustment		-	-
Balance at 30 June		**56,458**	**56,458**
Crown funding injections consists of:			
COVID-19 Response and Recovery Fund		51,300	51,300
Repayable Crown funding injection fair value adjustment	12	5,158	5,158
Total		**56,458**	**56,458**
Payroll Compliance reserve			
Balance at beginning of year		-	-
Transfer from/(to) accumulated funds		58,000	-
Balance at 30 June		**58,000**	**-**
Revaluation reserves			
Balance at beginning of year		620,043	603,114
Revaluations		61,337	19,564
Transfer to accumulated funds on disposal		(131)	(2,635)
Balance at 30 June		**681,249**	**620,043**

	Note	2024 Actual $000	2023 Actual $000
Property revaluation reserves for each asset class consist of:			
Land		293,585	302,870
Buildings		387,664	317,173
Total		**681,249**	**620,043**
Total Equity		**1,438,610**	**1,450,130**

COVID-19 Response and Recovery Fund

Fire and Emergency was successful in securing a capital injection from the COVID-19 Response and Recovery Fund (CRRF) to rebuild and upgrade 26 fire stations. The capital injection was for up to $51.30 million over a period of three years and all funding was received and spent by 30 June 2023.

15. Capital commitments

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

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

	2024 Actual $000	2023 Actual $000
Buildings	3,978	10,834
Fire appliances	21,831	8,439
Motor vehicles	190	-
Computer equipment	120	19
Operational equipment	6,688	8,044
Computer software	930	1,723
Total capital commitments	**33,737**	**29,059**

16. Operating lease commitments

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

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

	2024 Actual $000	2023 Actual $000
Not later than one year	7,623	6,814
Later than one year and not later than five years	18,393	17,347
Later than five years	19,303	20,278
Total non-cancellable operating leases as lessee	**45,319**	**44,439**

Fire and Emergency has operating lease commitments for office and fire station premises and motor vehicles. Significant leases include the two floors and car parks at National Headquarters located at 42-52 Willis Street, Wellington. No restrictions are placed on Fire and Emergency by any of its operating leasing arrangements, other than that the premises must be used as commercial premises. Fire and Emergency does not have any contingent rents or sublease payments.

17. Contingencies

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

Contingent liabilities

Personal liabilities

At 30 June 2024, there were 79 personnel issues, including a small number of formal legal proceedings. In each case it is difficult to predict the final outcome of these matters, and the accompanying contingent liability is not quantifiable with a sufficient level of certainty. In addition, there is one national level employment related dispute involving a number of union member ex-employees which is currently before the Employment Court.

Seismic strengthening programme

There remains some uncertainty around cost projections for the seismic strengthening programme and there is a possibility that total spend may exceed the seismic resilience reserve amount of $39.43 million at year end (2023: $33.32 million).

Asbestos remediation

Asbestos remediation works continued in 2023/24 which resulted in the completion of further site surveys, as well as proactive maintenance work and building warrants of fitness. Due to the varied nature and costs associated with these potential remediation works the extent of any liability is currently unknown as at 30 June 2024.

Contingent assets

Fire appliances

During the year we continued to make progress regarding remedies associated with cracks/defects occurring on some of our Type 3 appliances. The total quantum of the costs to remedy the cracks/defects has not yet been confirmed. No formal proceedings have been issued.

18. Financial instruments

	2024 Actual $000	2023 Actual $000
Financial assets measured at amortisation cost		
Cash and cash equivalents	130,619	201,810
Exchange trade and other receivables	10,758	6,555
Term Deposits - Current	10,000	-
Term Deposits - Non-Current	48,000	-
Total financial assets measured at amortised cost	**199,377**	**208,365**
Financial liabilities measured at amortised cost		
Exchange trade and other payables	32,615	36,495
Other liabilities	865	1,249
Borrowings - Repayable Crown funding injection	25,732	38,415
Borrowings - Repayable Crown Loan	50,400	25,400
Borrowings - Finance leases	7,603	10,959
Total financial liabilities measured at amortised cost	**117,215**	**112,518**
Financial liabilities measured at fair value through Surplus/Deficit		
Derivative Financial Instruments	228	-
Total Financial liabilities measured at fair value through Surplus/Deficit	**228**	**-**

Trade and other receivables exclude levy receivables as levies are charged under exercise of sovereign power, as such these items do not meet the definition of a financial instrument. All financial instruments are disclosed in accordance with PBE IPSAS 41 Financial Instruments.

Derivative Financial Instruments

Fire and Emergency is permitted to and uses forward foreign exchange contracts to manage exposure to foreign exchange movements. Fire and Emergency does not hold or issue derivative financial instruments for trading purposes. Fire and Emergency has not adopted hedge accounting.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value are recognised in surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of a forward foreign exchange derivative is classified as non-current.

Fair Value Hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets
- valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	2024 Actual $000	2023 Actual $000
Financial Liabilities		
Quoted market prices	-	-
Observable market inputs	228	-
Significant non-observable inputs	-	-
Total financial liabilities at fair value	**228**	**-**

There were no transfers between the different levels of the fair value hierarchy.

Financial instrument risks

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

Market risks

Interest rate risk

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

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

Currency risk

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

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

Fire and Emergency manages foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts. These forward foreign exchange contracts are entered into with the Bank of New Zealand (Standard and Poors rating of AA-).

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent at 30 June 2024 was:

	2024 Actual $000	2023 Actual $000
Foreign Exchange Contracts		
Great British Pound	16,477	-
European Union Euro	193	-
Total	**16,670**	**-**

Sensitivity Analysis

Forward foreign exchange contracts

The following table summarises the impact of a 10 percent movement in foreign exchange rates on the valuation of Fire and Emergency's foreign exchange contracts.

	2024 Actual $000	2023 Actual $000
Impact on Surplus/Deficit		
Increase in foreign exchange rates of 10%	(1,481)	-
Decrease in foreign exchange rates of 10%	1,630	-

Credit risk

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

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

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

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

Liquidity risk

Management of liquidity risk

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

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

Contractual maturity analysis of financial liabilities

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

2024

	Carrying amount $000	Contractual cash flows $000	Less than 6 months $000	6–12 months $000	1–5 years $000
Exchange trade and other payables	32,615	32,615	32,615	-	-
Borrowings - Repayable Crown funding injection	25,732	25,939	-	13,000	12,939
Borrowings - Repayable Crown Loan	50,400	50,400	-	-	50,400
Borrowings - Finance leases	7,603	8,185	1,819	1,819	4,547
Total	**116,350**	**117,139**	**34,434**	**14,819**	**67,886**

2023

	Carrying amount $000	Contractual cash flows $000	Less than 6 months $000	6–12 months $000	1–5 years $000
Exchange trade and other payables	36,495	36,495	36,495	-	-
Borrowings - Repayable Crown funding injection	38,415	38,939	-	13,000	25,939
Borrowings - Repayable Crown Loan	25,400	25,400	-	-	25,400
Borrowings - Finance leases	10,959	12,124	1,969	1,969	8,186
Total	**111,269**	**112,958**	**38,464**	**14,969**	**59,525**

19. 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 for the organisation to enter into derivatives and to maintain committed and uncommitted borrowing facilities at financial institutions. Use of derivatives is confined to currency rate forward contracts used as specified by New Zealand Treasury. Fire and Emergency manages its equity by prudently managing revenue, expenses, assets, liabilities and risk, and aims for best practice with regard to its operations and financial dealings. This helps to ensure that Fire and Emergency effectively achieves its goals and objectives.

20. Related party transactions and Key Management Personnel

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

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

Key management personnel compensation

	2024 Actual $000	2023 Actual $000
Board members		
Remuneration	196	200
Full time equivalent members	1.0	1.0
Executive Leadership Team		
Remuneration	3,043	2,776
Full time equivalent members	8.0	8.0
Service Delivery Leadership Team		
Remuneration	3,745	3,357
Full time equivalent members	12.0	12.0
Total key management personnel compensation	**6,984**	**6,333**
Total full time equivalent personnel	**21.0**	**21.0**

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

ELT remuneration has increased from 2022/23 primarily due to amounts paid for acting cover during leave periods for ELT, as well as market rate increases.

SDLT remuneration has increased from 2022/23 primarily due to amounts paid for acting cover during leave periods for SDLT, as well as market rate and progression increases.

Other related party disclosures

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

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

Fire and Emergency reimbursed costs and paid grants to volunteer fire brigades of $5.86 million (2023: $5.98 million) to support the delivery of fire and emergency services. Volunteer fire brigades independently manage their affairs in accordance with their rules of incorporation, trust deed or other governing documents.

21. Post balance date events

Fire and Emergency New Zealand are engaged in on-going negotiations with the NZPFU as at 31 October 2024.

On 19 September 2024, the Minister of Internal Affairs announced that the Government has agreed to the rates for the redesigned levy that will fund Fire and Emergency New Zealand from July 2026, with the rate of levy increase set at 2.2%.

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

22. Explanation of significant variances against budget

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

Statement of financial performance

Levy was $30.16 million higher than budget. This is largely due to growth in the commercial property and residential buildings base.

Other revenue was $7.39 million higher than budget largely due to cost recoveries for international wildfire deployments, which were not budgeted for.

Employee and volunteer benefits expense was $60.64 million higher than budget. This is largely due to the identification of existing and historical areas of non-compliance with the Holidays Act 2003 and Compulsory Employer Contributions, with the current estimate of $58 million to remediate included in expenditure for the year.

Statement of other comprehensive revenue and expenses

Gains on revaluation of land and buildings were $31.34 million higher than the conservatively set $30 million budget, reflecting the property market. The actual valuation represents market movements as assessed by an independent valuer, Telfer Young.

Statement of financial position

Cash and Investments were collectively $67.28 million higher than budget. This is largely due to increased cash receipts from revenue and starting the year with a higher than budgeted cash position. This includes ring-fenced investments of $58 million to fund the remediation of historical payroll non-compliance which was not budgeted for.

Employee and volunteer benefits was $11.35 million higher than budget. This is largely due to starting the financial year with a higher opening balance.

Provisions was $61.11 million higher than budget. This is largely due to holding the estimated costs to remediate historical areas of payroll non-compliance of $58 million as a provision.

Total equity was $7.13 million higher than budget. This is largely due to the revaluation reserves being higher than budget by $18.14 million largely resulting from the higher than anticipated revaluation gains. All other equity is $11.01 million lower than budget, due to the increased net deficit for the year, partially offset by an increased opening balance.

Statement of Trust Monies

For the year ended 30 June 2024

Fire and Emergency operates one trust account as the agent under section 66 of the Public Finance Act 1989. The transactions through this account and the balance as at 30 June 2024 are not included in Fire and Emergency's own financial statements. Movements in this account during the year ended 30 June 2024 were:

	2024 Actual $000	2023 Actual $000
Retention Trust Account		
Balance at 1 July	-	-
New Retentions Held	1,288	-
Retentions Release	(340)	-
Balance at 30 June	**948**	**-**

Retention Trust Account

Fire and Emergency is responsible for holding retentions amounts separately from other funds for any commercial construction contracts (as per the Construction Contracts Act 2002). This applies to all commercial contracts from 5 October 2023.
The requirements for withholding retention money include:

- clarifying that retention money is automatically held in trust by Fire and Emergency once the contract allows it to be withheld from the contractor
- removing the ability to mix retention money with other cashflow and assets
- requiring that retention money held as cash must also be held separately in a bank account with prescribed ledger accounts.

Tō Mātau Poari
Our Board

The Fire and Emergency New Zealand Board is appointed by the Minister of Internal Affairs. Terms of appointment are usually for three years and members are eligible for reappointment.

The current members of the Board are:

Belinda Clark, QSO

Appointed to the Board in December 2022, Belinda Clark has significant experience as a public sector leader in both New Zealand and Australia and considerable legal and Treaty of Waitangi expertise. Belinda holds an LLM in International Law from New York University as well as a LLB (Hons) and BA from the University of Auckland. Belinda led the 2022 independent review on behalf of Te Kawa Mataaho | Public Service Commission on assessing Fire and Emergency New Zealand's workplace culture and its handling of complaints of bullying and harassment. Belinda was awarded a Queen's Service Order in 2014 for services to the State.

Hon Ruth Dyson, QSO

Appointed to the Board in December 2022, the Hon Ruth Dyson has significant public policy and political experience. Ruth was a Cabinet Minister between 1999 and 2008 and has almost 30 years' experience in Parliament. Having been a champion for change for the disability sector for 30 years, Ruth was awarded the Queen's Service Order in 2021 for services as a Member of Parliament and to disabled people. Ruth holds appointments on a number of Boards, including the Asia-Pacific Leadership Network and Toka Tū Ake | Earthquake Commission.

Mary-Anne Macleod

Appointed in August 2021, Mary-Anne Macleod is a strategic advisor to central and local government agencies while also holding appointments on several government and private boards. She has extensive experience in governance as well as in local and central government. Mary-Anne has a Masters in Earth Sciences.

Rebecca Keoghan, MNZM (Chair)

Rebecca was appointed Deputy Chair of the Board for a three-year term in June 2019 and she was appointed Chair in July 2021. Rebecca has a wealth of governance and executive experience across a variety of industries: investment, supply chain, manufacturing, energy, ports, medical, agriculture, FMCG, forestry, health and safety, and fire and emergency. In 2018, she was recognised as a rural Woman of Influence. In 2016, she was Fonterra's Dairy Woman of the Year. Rebecca was made a Member of the New Zealand Order of Merit in 2017 Queen's Birthday Honours.

Amit Prasad

Appointed to the Board in September 2022, Amit Prasad is a Chartered Accountant with significant experience in finance, audit and risk management. Amit has extensive governance experience, particularly in the not-for-profit sector. He currently holds a number of governance roles on Boards and Committees in the public, private and not-for-profit sectors.

Danny Tuato'o

Appointed to the Board in August 2021, Danny Tuato'o is currently a Partner at Marsden Woods Inskip Smith, providing specialist property and commercial law advice in the Northland region. He has significant experience working with Māori entities and holds appointments on both government and private boards.

Presented to the House of Representatives pursuant to section 150[3] of the Crown Entities Act 2004.

ISSN 2324-5654 (Online), ISSN 2324-5646 (Print).

Crown copyright © 2024

Except for the Fire and Emergency New Zealand logo, this copyright work is licensed under the Creative Commons Attribution 3.0 New Zealand licence. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Board of Fire and Emergency New Zealand and abide by the other terms. Attribution to the Board of Fire and Emergency New Zealand should be in written form and not by reproduction of the Fire and Emergency New Zealand logo or the New Zealand Government logo.

WHAKARATONGA IWI

FIRE EMERGENCY NEW ZEALAND

Te Kāwanatanga o Aotearoa
New Zealand Government