



Te Tauākī o ngā
Taumata Mahi me Tutuki
2023/2024
**Statement of Performance
Expectations**

Ngā ihirangi

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Horopaki Overview

We operate as an essential service that all New Zealanders rely on. Every day we work to respond to all fire emergencies. While the types of emergencies we respond to has changed over time, our work remains critically important to protect life, property and our environment.

Our Statement of Performance Expectations 2023/24 sets out the services and key initiatives Fire and Emergency New Zealand will deliver in the year to 30 June 2024 and details the performance standards for measuring our progress during the year. This document should be read alongside our new Statement of Intent 2023–2027 and our National Strategy 2019–2045. These outline what we plan to achieve over the medium and longer terms.

Our strategic intentions represent our commitment to:

- ➔ **deliver for Aotearoa** New Zealand by working closely with others to reduce the risk of fire and prepare for emergencies. When these do happen, we will be ready to respond in communities.
- ➔ **develop our people** by building a safe, positive and inclusive workplace for our people. We will care for our people, so they are there for our communities.
- ➔ **build our business** by having the resources and processes to meet the needs of communities into the future.

Our people are our greatest asset. That's why we're making sure they have the equipment, skills and workplace environments needed to support them to deliver and thrive at all levels. We're committed to providing our people with a welcoming workplace, one that they feel comfortable being themselves in, and one where they can grow their skills and career.

We're continuing to work with communities to identify their risks and needs so they can better prepare, respond and recover quickly from emergencies. Local responses require local advice to ensure we can best respond to an emerging situation. We have established seven Local Advisory Committees and are looking forward to establishing the final nine in 2024. These committees enable strong engagement throughout the country to help us better reflect local needs.

Ensuring our business can operate into the future remains a key priority for us. Opening new stations, trialling new equipment and bringing in new vehicles has been a good start. We will continue to invest in our property, fleet and technology to make sure our people have what they need to respond to fires and emergencies.

Keeping pace with change and changing how we work will ensure we are supporting good practice. We will keep using data and research to help us understand and inform how best to adjust how we do our work. Working with our people and partners during these ongoing changes is critical to doing this well. As we listen, we will hear what's needed so we can guide our decision-making.

The next 12 months will undoubtedly challenge Fire and Emergency as we keep progressing mahi (work) that reflects our priorities while responding to events and incidents that affect our communities. On behalf of the Board, thank you to all Fire and Emergency personnel for your ongoing focus and commitment to keeping our communities safe as we keep moving forward as an organisation.


Rebecca Keoghan
(Chair)


Hon Ruth Dyson, QSO
(Deputy Chair)

30 June 2023

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

We are a Crown entity governed by a Board of Directors under the Fire and Emergency New Zealand Act 2017 (the Act). The Act describes our role to protect and preserve lives, property and the environment.

To do this, we work to:

- **Reduce the risk of fire** – by determining risks to life and property from fires, stopping fires from happening, if possible, through school and community programmes, providing technical advice and enforcing fire standards.
- **Be Ready for fires and emergencies** – by making sure we're prepared for emergencies, including doing post-incident reviews so we know how we can improve and learning so we can improve our work.
- **Respond to fires and emergencies** – for example, structure fires, wildfires and other emergencies like floods, earthquakes and landslips.

How we help communities across Aotearoa New Zealand

We are Aotearoa New Zealand's trusted national fire authority and an emergency first responder. We maintain a continuous state of readiness, so we can be there when communities need us. Nationally, we have 645 fire stations and depots and 14,500 personnel (including support personnel), giving us a presence in most communities.

Every day our people provide fire and emergency services and work with others across the sector and across Aotearoa New Zealand's diverse communities.

- Our people are members of our communities. This helps us ensure we can protect and preserve lives, property and the environment across the motu.
- We undertake fire risk reduction for all communities (with particular focus on those most at risk), including land management advice, home fire safety visits, advice on building standards and investigations into the causes of fires.
- We are the response agency when fires happen. We can draw on resources nationally and internationally to respond to major events, including specialist capabilities such as responding to incidents involving hazardous substances, urban search and rescue (USAR) and wildfire response.
- We assist with responding to medical emergencies, such as cardiac arrests. Our support significantly improves patient outcomes. We also assist in rescues, and with traffic accidents.
- We aim to manage our nationwide network of assets sustainably and are working towards ensuring they are safe, fit for purpose and ready to respond to fire and emergencies in communities across the country.
- We are improving our cultural capability across our organisation to design risk reduction programmes and services that help to improve outcomes for Māori communities.
- We have great relationships with Aotearoa New Zealand's emergency management sector, and internationally. We regularly provide support for emergency events to our Australian and Pacific neighbours and have deployed more widely when requested.

This Statement of Performance Expectations outlines our plan for the next year so we continue to be there for Aotearoa New Zealand and achieve our strategic intentions. Our plan is focused in three key areas:

Delivering for Aotearoa **Developing our people** **Building our business**

Our emergency management functions

Principal objectives

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

Main functions

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

Additional functions (assist with)

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

Our 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.

In addition to our two main areas of legislative responsibility under the Act, we carry out additional risk reduction activities under various legislative provisions and organisational practices. 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.





Tā mātou horopaki rautaki

Our strategic context

Our strategic framework outlines our purpose, vision, values, outcomes, objectives, strategic priorities, outputs and Te waharoa.

Our purpose is why we exist – protecting and preserving lives, property and the environment as Aotearoa New Zealand's trusted fire authority and emergency responder.

Our vision is what we aspire to – stronger communities protecting what matters, he taonga te ahi, he taonga tangata, he taonga te taiao.

'He taonga' helps to describe how we protect what matters. A taonga (a treasure) in te ao Māori is an inherent way of viewing many elements in life. We are using taonga to describe our role as kaitiaki, guardians and caregivers of fire, people and the environment. This is a responsibility of everyone in the organisation that is passed down as people leave and join us.





He taonga te ahi – fire is an intrinsic part of the natural environment, a powerful element that has the power both to cause harm *and* sustain life, for example, by providing warmth and comfort.

He taonga te tangata – this refers to the taonga of our people and the taonga of our communities.

He taonga te taiao – the taonga of the environment reminds us to take care of the environment and property as we carry out our work.

He taonga te tangata and he taonga te taiao reflect an important concept in te ao Māori, where people and the environment are intrinsically linked.

Our values reflect the inclusive and respectful culture we are building:

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

We will achieve our vision by delivering on our two outcomes. Our outcomes set out the contribution we make to communities as part of the emergency sector:

- fewer unwanted fires
- reduced harm to people, property and the environment from fires and emergencies.

We have identified three areas where we will focus over the medium term to meet the needs of communities into the future. We group our priorities into these three key areas:

- Delivering for Aotearoa**
- Developing our people**
- Building our business**

Te waharoa represents the gateway to our organisation. The five components of the waharoa represent us and how we operate within the Fire and Emergency 'marae'. Our 'marae'/Te waharoa is illustrated in our ecosystem. Together the components provide a cohesive and strong structure that allows us to achieve our strategic priorities.

Our outputs are the primary services we deliver for Aotearoa New Zealand. They are:

- 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 resources, natural hazard events.

This statement shows how our efforts for the coming year will help us improve in these areas.

Our Ecosystem

Our Purpose

Protecting and preserving lives, property and the environment.

Our long-term priorities

- Collaboration, partnerships and influences
- Building resilient communities
- Growing our people
- Keeping pace with change
- Intelligence-led, evidence based decisions

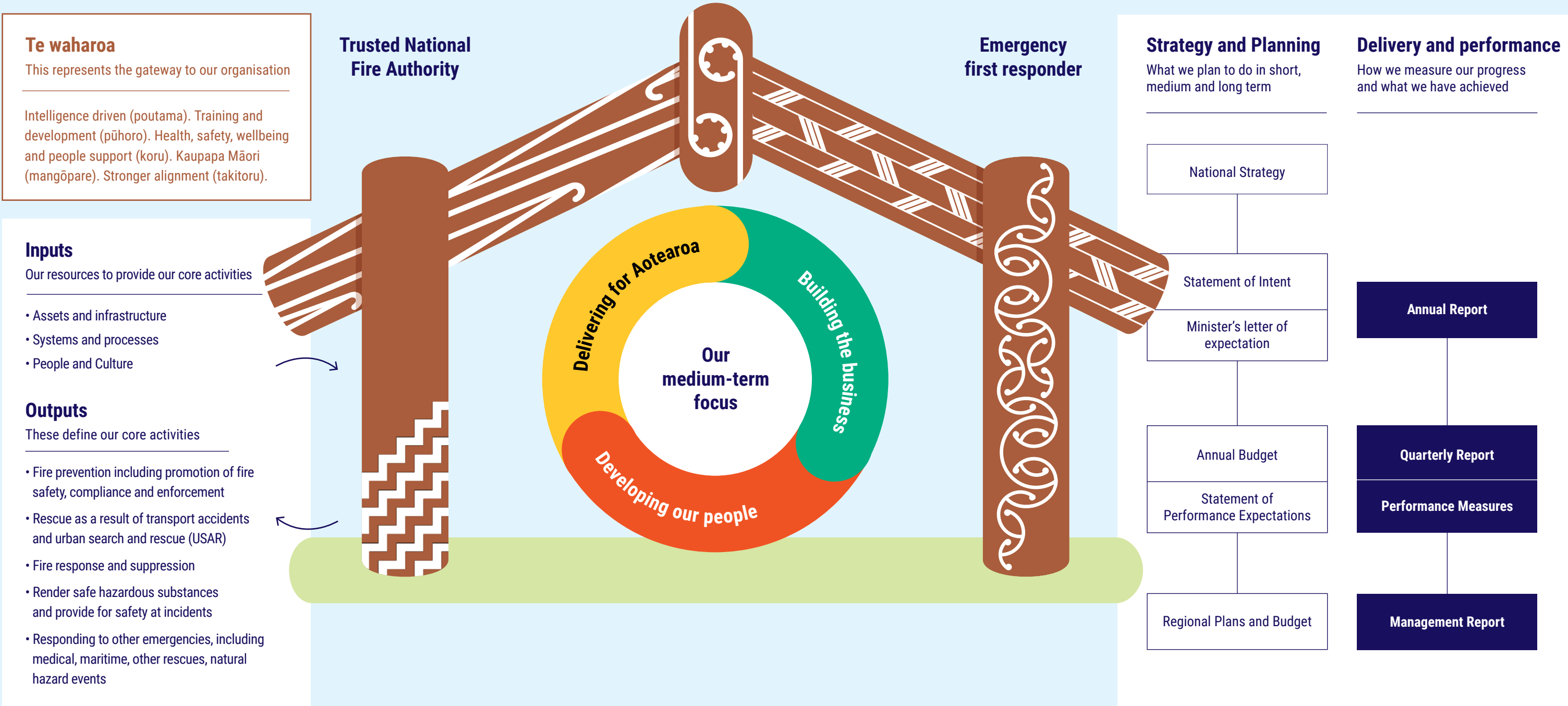
Our Values

 **Kia tika**
We do the right thing

 **Manaakitanga**
We serve and support

 **Whanaungatanga**
We are better together

 **Auahatanga**
We strive to improve



Ā mātou aronga whakahaeretanga mō te tau 2023–24 Our operational focus for 2023–24

Our Statement of Intent 2023–2027 outlines our plan to deliver our strategic intentions for the next four years. This Statement of Performance Expectations outlines our plan to progress these goals over the next 12 months. In 2023/2024 we will put in place the right measures to effectively monitor our progress toward our four year intentions.

	Delivering for Aotearoa	Developing our people	Building our business
Over the next four years we need to:	Work closely with others to reduce the risk of fire and prepare for emergencies. When they happen, we will be ready to respond in communities.	Build a safe, positive and inclusive workplace for our people. We will support our people and enable them to succeed, so they are there for our communities.	Understand our needs and make progress towards having the resources and processes to support Aotearoa into the future.
To progress this goal in 2023/24 we will:	<ul style="list-style-type: none"> respond to fire and emergencies deliver fire risk reduction programmes and champion regulatory compliance to keep pace with our changing environment and society and promote safer buildings and behaviours strengthen our relationships with iwi and Māori, with the help of our new Kaupapa Māori and Cultural Communities branch, to prevent fires and build community resilience work with our people and partners to strengthen relationships and build trust so we can deliver for Aotearoa. 	<ul style="list-style-type: none"> work towards building a respectful workplace for everyone through initiatives such as Eke Taumata, Kia Toipoto and Hiwa-i-te-rangi manage our critical health and safety risks, finalise our safety, health and wellbeing roadmap and improve our knowledge and processes for managing health and safety risks develop a hazardous materials capability framework and work to ensure we have the right capabilities so we can that we can keep our frontline people safe work towards a culture that encourages continuous learning by building leadership capability and implementing a learning and development strategy. 	<ul style="list-style-type: none"> update data management tools and processes to better support our functions progress key asset and equipment upgrades such as rebuilding stations, purchasing new appliances and upgrading our equipment continue to work towards meeting government targets deliver research that helps us to make informed decisions and support planning across our organisation so we can gain a clearer picture of current and future resourcing needs.



Kia whai hua a Aotearoa

Delivering for Aotearoa

We're committed to working with others to prevent fires and be ready and respond across Aotearoa.

We will work closely with others to reduce the risk of fire and prepare for emergencies. When these happen, we will be ready to respond and serve our communities.

➔ Our 2023–27 strategic intentions are to:

- strengthen regulatory compliance and invest in targeted risk reduction activities
- build understanding of the needs of our partners and our diverse communities
- strengthen our interactions with our own people, iwi, our communities, and our emergency sector partners.

➔ We will know we are making progress when we:

- measurably increase understanding of and compliance with fire safety rules
- measurably increase community understanding of how to prevent fires, and to prepare for and respond to emergencies
- measurably increase awareness of and utilisation of fire prevention tools
- measure reduced incidence and consequence of unwanted fires.

The following outlines what we will do to progress these intentions over the next 12 months.

Promoting fire risk reduction

Reducing fire risk prevents harm and is one of our main functions. Our Risk Reduction Strategy 2019–2029 outlines our long-term thinking to reduce fire risk in our communities.

Helping people do the right thing to stay safe from fire

We provide advice and education so that people understand what causes unwanted fires and how to act safely when they happen. We advocate for safer buildings as part of our regulatory role and need to work with individuals and organisations to improve compliance for the good of all New Zealanders.

➔ In 2023/2024 we will:

- assess options for working with high-risk buildings nationally, to offer appropriate advice and ensure processes are in place to ensure compliance
- continue to use our enforcement programme to change the behaviour of individuals or organisations that do not comply with our legislation, after education has been provided.

This will help us reduce the risk and impact of fire by increasing awareness of regulatory requirements and how to comply with them.

Reducing the risk of wildfires

Wildfires are starting earlier in the fire season and lasting longer. We are seeing more complex fires and more fires happening at the same time.

➔ In 2023/24 we will:

- deliver education to increase knowledge of wildfire risk management amongst our people partners
- implement improvements from our previous work in this area, including from the Te Pae Tata programme¹
- promote fire safety products and tools for reducing wildfire risk, particularly to large landowners such as forestry and farm owners.

This will help us work with our partners and communities to reduce the risk of wildfires.

¹ Our Te Pae Tata programme was established in December 2021. It encompasses 12 risk reduction projects and initiatives that aim to improve our risk reduction activities to benefit the communities that we serve.

Working with communities to reduce unwanted fires

We will continue to respond when Aotearoa New Zealand needs us and work with individuals and communities to reduce unwanted fires.

➔ In 2023/24 we will:

- build stronger risk reduction capability in our own organisation by training our people to deliver fire prevention programmes in communities and schools
- continue checking and installing smoke alarms to reach our target of 88 percent of homes having at least one working smoke alarm
- deliver targeted fire prevention campaigns to reduce unattended cooking fires and heat source related fires in winter
- continue promoting escape planning to reach our target of 63 percent of households having an escape plan in place
- review our fire risk reduction policies and processes to make they are best practice
- work to reduce unwanted alarms.

This will help us reduce the risk and impact of fire by increasing awareness and supporting behaviour change in communities.



Continuing to build strong relationships with iwi and Māori

Māori communities suffer more than other groups from fire and other emergencies. Our Kaupapa Māori and Cultural Communities branch has a special role to partner with Māori and other cultural groups to help us improve these outcomes.

We have Pou Takawaenga Māori (Māori Liaison Officers) in each of our Regions to help us connect with local iwi, manage local risks and respond to serious incidents.

➔ In 2023/24, we will:

- run programmes to reduce risk of fires in Māori communities and households by working closely with Local Advisory Committees, risk reduction teams and community readiness and recovery teams
- guide the development and delivery of fire safety education tools and resources.

This will help prevent fires and build community resilience for both for Māori and the wider community.

Kaupapa Māori and Cultural Communities branch design

We have made changes in our organisation to help us lift our cultural capabilities, connect better with Māori and keep Māori communities safe. These changes will also help us to understand the needs of wider cultural communities, including Pacific, Asian, Indian, Melanesian and other cultures.

We will work with an external Māori Advisory Rōpū to develop our Māori Strategy to ensure Māori perspectives are at the heart of this strategy.

➔ In 2023/24 we will:

- design, develop and implement a Māori Strategy
- establish an external Māori Advisory Rōpū to support our commitment to Māori.

These will provide us with continued commitment to Māori as tangata whenua and can provide us with independent iwi-focused strategic advice on local needs, issues and risks for Māori.

Measure	Target 2023/24
Design, develop and adopt a Māori Strategy	By 30 June 2024
Establish an external Māori Advisory Rōpū with forward workplan	By 30 June 2024

Partnering to reduce risk and respond

To help communities, we must work well with other emergency organisations and our own people. Over the next year we will strengthen our internal relationships and work proactively alongside our partners to support communities.

Strengthening our relationships with our people

Our people are key to our ability to deliver for Aotearoa. They have an interest in how we carry out our role, our culture and the connections we build. We respect their right to advocacy and recognise the joint interest we have with unions and associations in building a safe, positive and inclusive workplace.

➔ In 2023/24 we will:

- improve how we engage with our people and the unions and associations that represent them
- centralise our workplace relations team to improve our workplace relations capability
- form groups to work on processes that affect them and make recommendations about fleet, equipment and staffing levels.

This will build trust with our people and the unions and associations that represent them, and include them in decision-making processes that impact them.

Working closely across the emergency sector

We have strong and enduring partnerships with agencies including Department of Conservation (DOC), National Emergency Management Agency (NEMA), New Zealand Defence Force, New Zealand Police, Kāinga Ora – Homes and Communities and ambulance services.

➔ In 2023/24 we will:

- work with partner agencies to improve how we work together, share knowledge, prepare for and respond to emergencies.

The following measure ensures we enter agreements with a focus on building consistent relationships that bring us value. It aims to create more consistency and transparency in how we enter into Relationship Agreements and how we should manage relationships with key stakeholders.



Measure	Target 2023/24
Relationship agreements with sector partners aligned to the objectives of the relationship framework	3

Using what we learn to keep improving

Learning and continual improvement helps reduce risk to our people and communities.

➔ In 2023/24 we will:

- learn from the Cyclone Gabrielle and Loafers Lodge operational reviews, coronial enquiries and Muriwai investigation and put recommendations in place.

This will help us to improve how we respond to future events.

Te whakawhanake i ā mātou tāngata **Developing our people**

Building a safe workplace we are all proud to
be part of.

We will build a safe, positive and inclusive workplace for our people. We will support our people and enable them to succeed, so they are there for our communities.

➔ Our 2023–27 strategic intentions are to:

- lift our people's safety, health and wellbeing knowledge and confidence
- invest in tools, training and equipment to keep our people safe
- build a positive and inclusive workplace culture
- encourage continued training and development, to ensure our people and leaders have the skills to succeed.

➔ We will know we are making progress when we:

- improve our people's workplace experience
- measurably improve leadership capability to support culture change
- measurably increase diversity, inclusivity and cultural capability in our organisation
- measurably increase understanding and impact of tools to minimise safety, health and wellbeing risks, including critical risks.

The following outlines what we will do to progress these intentions over the next 12 months.

Making changes to support our goals and delivery of services

We have been making changes to the way we support the 14,500 people across our organisation.

➔ In 2023/24 we will:

- finish putting our redesigned people services team in place
- support our leaders through leadership development, culture and behaviour improvements.

These changes will help us to build a respectful and inclusive workplace culture, strengthen safety, health and wellbeing, and develop and train our people.

Safety, health and wellbeing

Our people, particularly our frontline personnel, often work in very dangerous environments and face critical risks. We will continue to take steps to improve the safety, health and wellbeing of all our people and those who work alongside us.

Safety, health and wellbeing roadmap

We have started work on a safety, health and wellbeing roadmap.

➔ In 2023/24 we will:

- finalise our safety, health and wellbeing roadmap
- use mātauranga Māori (Māori knowledge) within our safety, health and wellbeing frameworks.

This will help grow a culture that supports and values the safety, health and wellbeing of our people.

Managing risks to safety, health and wellbeing

Critical risks can result in serious injury, illness or death. We have identified three main critical risk areas for our people:

- physical safety
 - work-related health
 - psychological wellbeing.
- ➔ In 2023/24 we will:
- increase understanding of our critical risks and develop plans to manage these better
 - assess options for health assurance checks so we can improve our monitoring of exposure effects on our people
 - develop and deliver training to ensure our people are aware of our obligations and procedures when working with other agencies.

This will help us manage risks to safety, health and wellbeing to protect our people and the communities we serve.



Keeping our frontline people safe

Over the next year we will progress key project to improve the safety of our personnel in dangerous environments.

Hazardous substances response capability development

Each year, we respond to between 1,500 and 3,500 hazardous substance emergencies. Incidents can vary from a small spill or a toxic gas leak, to a dangerous goods fire. Our people can also be exposed to hazardous substances at medical emergencies, rescues in small spaces, vehicle crashes and fires.

Our Hazardous Materials (Hazmat) Response Capability Development programme and Hazmat Capability Strategy drive the way we respond to hazardous substance emergencies.

- ➔ In 2023/24 we will:
- develop a hazmat capability framework so we know what skills and resources we need to respond in changing conditions and environments.

This will help to improve how we respond to hazardous substances during emergencies.

Decontamination

We are working to expand our toolbox of flexible, fit-for-purpose decontamination assets and practices.

- ➔ In 2023/24 we will:
- review and improve our decontamination equipment and processes.

This will help to limit the impact of exposure to hazardous substances during emergencies.



Carcinogen control

We want to reduce our firefighters’ exposure to carcinogens.

- ➔ In 2023/24 we will:
- invest in new protective equipment for better carcinogen control
 - develop and update tools for controlling asbestos exposure and post-fire management
 - trial a post-fire management system based on international best practice
 - deliver training for our operational personnel to better understand and control asbestos risks during responses.

This will help reduce the personal, social and economic impacts that exposure to carcinogens has on our firefighters, their whānau and communities.

Working safely in and around water

As extreme weather events become more frequent, we are increasingly called to respond in floodwaters. Working in and around water is high risk for our people and for communities.

- ➔ In 2023/24 we will:
- work towards making sure our specialist frontline teams have the:
 - skills to work safely in water
 - equipment to protect them in water
 - ability to keep themselves and others safer in flooding incidents in high-risk regions.

This will help us to respond safely and effectively to these events.

Gas detection

Our people may be exposed to various gases when responding to incidents, which can be immediately dangerous to life and health or could cause future health issues.

- ➔ In 2023/24 we will:
- introduce carbon monoxide monitors for firefighters working on fires in the natural environment
 - introduce equipment to check gas levels when responding to incidents in built up areas
 - introduce gas monitoring for live fire trainers and Urban Search and Rescue (USAR) technicians
 - introduce new gas detection capability and training to existing hazmat crews.

This will increase our capability to detect and monitor gases in the air that our firefighters are breathing while at incidents.

Building a respectful workplace for everyone

We are committed to creating a positive, inclusive and safe workplace experience for all our people.

Eke Taumata

We recognise that we still have more work to do to improve our workplace culture. To deliver these improvements, we have established Eke Taumata so we can respond to each of the recommendations in the 2022 Te Kawa Mataaho review.

Eke Taumata is the abbreviated version of 'Kia eke ki ngā taumata' (to aspire to greater level). The Te Kawa Mataaho | Public Service Commission review² released in December 2022 found Fire and Emergency had acted on and made progress to address the recommendations of the 2019 report by retired Judge Coral Shaw³.

➔ In 2023/24 we will:

- make sure our people know about professional and peer psychological support they can use
- improve how we use data to support culture change and continuous improvement
- improve our complaints management process
- update policies and processes to support a positive workplace experience and address bullying, harassment and unwanted workplace behaviour consistently.

This will provide a pathway to improving our culture and prioritising a positive workplace experience for our people.



Hiwa-i-te-rangi

Hiwa-i-te-rangi weaves kaupapa Māori through our organisation and brings life to our commitment to work with Māori as tangata whenua.

➔ In 2023/24 we will:

- build awareness and understanding of the importance of te reo and tikanga Māori in the way we work.

Kia Toipoto

Kia Toipoto is a set of actions to close pay gaps in the public sector for women, Māori, Pacific and other ethnic groups. We developed our Kia Toipoto Action Plan to help us do this, alongside an Advisory Rōpū that includes representatives from unions, associations, internal staff networks and diversity and inclusion champions across the organisation.

➔ In 2023/24 we will:

- monitor and report on pay gaps
- develop a strategy and targets for improving gender and ethnic representation across the organisation
- increase leadership opportunities for women, Māori, Pacific, disabled and rainbow personnel.

This work will help our progress to a fairer, more respectful and inclusive workplace for our people including wāhine Māori, Pacific women, women from other ethnic communities, disabled people and members of rainbow communities.

Volunteerism

We have about 11,700 volunteers at more than 600 stations nationwide. Volunteers are vital members of our organisation. Our Volunteerism Strategy 2019–2029 will continue to guide our mahi in this area.

➔ In 2023/24 we will:

- improve support and engagement for volunteers through our new people services volunteerism function
- progress work to make sure our volunteers are recognised and not disadvantaged as we respond to complex and long events including our Incident Capability and Payment Alignment Project.

This will help ensure the volunteer experience with us is rewarding and positive.



Training and development

Strengthening our cultural capability

Māori will always have a special relationship as kaitiaki (guardians) of the environment and Papatūānuku (Earth).

➔ With the support of our new Kaupapa Māori capability, in 2023/24 we will:

- lift our cultural capability by normalising tikanga and use of te reo Māori across our organisation
- launch tools that help our people to develop their cultural capability.

Working with Māori before, during and after an emergency can lead to better outcomes for Māori and the wider community.

Strengthening our leadership capability

Personal leadership is at the heart of every job at Fire and Emergency, regardless of title or rank. We must all work together, look out for each other and recognise our strengths.

➔ In 2023/24 we will:

- roll-out our Leadership Development Framework to increase understanding of effective leadership behaviours
- provide personal leadership training to embed our values and build increased self-awareness through our Lead Self programme
- help first-time leaders develop the skills they need to build high-performing teams through our Lead Teams programme.

Strengthening our leadership capability will help us achieve the results driven by Eke Taumata, Hiwa-i-te-rangi, Paearu Mahi and Kia Toipoto.

Paearu Mahi

We have approved a framework that sets out and defines the technical competencies required by our frontline leaders at serious incidents.

➔ In 2023/2024 we will:

- pilot and evaluate the Paearu Mahi learning and assessment programme.

This will ensure our leaders have the right competencies to help keep Aotearoa safe.

Learning and development

To help meet the needs of our organisation, we are developing a Learning and Development Strategy.

➔ In 2023/24 we will:

- continue to develop the Learning and Development Strategy
- develop ways to assess and improve development and training effectiveness.

Promoting learning and development will help us improve culture, behaviours and expectations.

² Clark, B. (2022). Independent review of FENZ's workplace culture and complaint handling practices. Public Service Commission.
³ Shaw, C. (2019). Independent review of Fire and Emergency New Zealand's workplace policies, procedures and practices to address bullying and harassment. Public Service Commission.

Te hanga i te pakihi Building our business

Understanding how best to adapt to our changing environment so we can deliver for communities.

We need to ensure our organisation has sufficient resources and processes to meet the needs of communities, now and into the future.

➔ Our 2023–27 strategic intentions are to:

- start to rebuild a modern and reliable asset base and improve systems for managing our assets
- understand our future requirements and where to build our capability
- seek sustainable funding arrangements to meet current and future resourcing needs.

➔ We will know we are making progress when we:

- measurably improve our use of evidence to inform decision-making
- meet our legislative requirements
- understand and plan for future needs and have sustainable mechanisms for funding them.

The following outlines what we will do to progress these intentions over the next 12 months.

Improving our use of data and technology

Our digital environment is always changing so we need to make sure our technology and support our work and our decision-making.

➔ In 2023/24 we will:

- update our data management tools so we can better deliver our regulatory compliance requirements; for example, approving evacuation scheme applications, fire investigations and collecting levy data
- centralise our data and analysis work to improve the quantity and quality of our information.

This is critical to improving our services and keeping pace with change.

Payroll and Human Resources Information System (HRIS) Replacement programme

The Payroll and HRIS Replacement programme replaces our current system, which is coming to the end of its life.

➔ In 2023/24 we will:

- put our new payroll and HRIS system in place
- roll out training to those using the new systems.

The new system will have improved functionality that will help us to better manage and report on our work and pay our people.

Using risk management processes across our organisation

We have built a risk management framework so that we can better understand and manage risks. The framework will help us to widen our view of risks and to focus on areas that matter most. It also gives us a structure and boundaries for how we identify, analyse, mitigate, manage, treat and monitor risks.

➔ In 2023/24 we will:

- formally define our strategic and enterprise risks and priorities to manage these risks
- shift the ownership and management of these risks to the appropriate owner.

The framework will allow us to have focussed discussions across the organisation about how to address risks.

Maintaining fit-for-purpose resources to support our work

Investing and distributing our resources well is key to the effective delivery of services both now and in the future. Prioritising investment balances our strategic need with benefit and our ability to have new and affordable ways of sustaining our services.

Improving our procurement processes

We will work to build good practice and sustainable procurement processes to help to manage our assets.

Managing our assets

We have 645 fire stations and depots across the country, plus Regional offices, training facilities and National Headquarters. These assets are essential for us to deliver effective services to our communities. Our strategic asset management plan sets out how we integrate and manage our assets using a consistent approach.

➔ In 2023/24 we will:

- update our strategic asset management plan and relevant policies
- identify data requirements for individual resource management plans and an asset management information system
- develop a business case for capital requirements development
- develop standards for maintenance and repair contracts
- develop an asset maturity implementation plan
- include project planning, schedule delivery and financial management in our operational management of projects and programmes
- continue to strengthen how we manage our benefits and business case development for our projects and programmes.

This will help us rebuild capacity and improve the condition of our asset base to reflect our needs.

Managing our vehicles

We use a range of different fire trucks for different types of emergencies. We manage our fleet through regular servicing, replacing vehicles at the end of their lives and upgrading vehicles as needed.

We are currently behind on replacing vehicles that have come to the end of their lives. We are working to replace these vehicles.

➔ In 2023/24 we will:

- progress the purchase of five aerial appliances to replace aerials in our busiest stations, and test a new range of replacement standard appliances
- build understanding of asset and user requirements through a Fleet Working Party
- continue our appliance lifecycle replacement programme, including continuing to migrate our white incident command fleet to electric vehicles where suitable.

This will help to ensure we have a fit-for-purpose fleet and a sustainable fleet replacement programme going forward.



Improving property

Land and buildings make up 75 percent of the value of our physical assets.

➔ In 2023/24 we will:

- undertake major programmes – Parnell career station rebuild, Hastings composite station and Waverley station upgrade
- identify what levels of service and building performance we need
- update the seismic resilience upgrades we need and their costs.

This will progress our goal of having a network of facilities that are safe, fit for purpose and well looked after.

Equipment and logistics

We are putting in place a fit-for-purpose equipment management, maintenance and logistics system. This is part of our Equipment and Logistics Strategy 2020–2025.

➔ In 2023/24 we will:

- continue to put in place a more effective fire hose management and logistics system
- continue with procurement for an additional hose drying machine in the South Island
- introduce a new non-weather-dependent hose drying capability that is internally designed to replace our deteriorating hose drying towers.

This will improve our hose management capabilities and let us service our brigades and stations more effectively.

Building our critical communications capability

Being well connected is critical to delivering our functions. We are now using the Public Safety Network (PSN), which means we receive better information in more places.

➔ In 2023/24 we will:

- improve awareness about the benefits of our improved communications capabilities
- start moving from PSN Cellular to PSN Digital Land Mobile Radio.

This will improve the effectiveness of our communications capability.



Image credit: NZ Herald

Evidence-based resourcing

Evidence-based resourcing is an integral part of our planning. It informs our future capital and resourcing requirements and how we model our levy needs. It's about having good processes that inform our investment decisions to meet the changing needs of our organisation and Aotearoa New Zealand.

➔ In 2023/24 we will:

- use evidence to determine where we need specialist skills and equipment including:
 - deliver USAR first responder training to strategic brigades and build USAR capability across our districts
- review how we allocate specialised training and equipment and update policies as needed
- update the bulk flammable liquid incident response strategy to include the Fluorine-free foam project outcomes.

Funding mechanisms and financial sustainability

We are an essential service that New Zealanders rely on to respond to fires, reduce fire risk and help with other emergencies. To maintain our ability to do this and continue to run our organisation, we must have a sustainable and predictable source of funding.

➔ In 2023/24 we will:

- continue to work on the increase to the transitional levy on insurance policies, so we can stay financially sustainable and meet performance targets
- continue to help Te Tari Taiwhenua | Department of Internal Affairs (DIA) make changes to the levy system under Part 3 of the Act
- continue mapping out our approach to address the identified capital funding shortfall until a new levy system comes into effect.

Building knowledge through research, planning and Local Advisory Committees

We need to draw on a wide range of knowledge, data and information to make good decisions and investments and adapt to our changing environment.

Our National Research and Evaluation Strategy 2022–2032 prioritises research and evaluation that helps us to achieve our strategic priorities.

Planning helps us to prepare for the future, achieve our strategic priorities and meet our performance targets. It is also one of the ways we include local voices in our strategic planning.

Local Advisory Committees (LACs) capture community insights for planning and improving our local services. Their members have strong connections with a broad range of people and interests in their communities.

➔ In 2023/24 we will:

- plan to put in place the remaining nine LACs across the country
- continue to use research and evaluation to inform our decision-making
- support planning processes across the organisation.

Improving how we measure our performance

Our Service Delivery Guidelines (SDGs) describe 'what good looks like' for how we deliver our services across Aotearoa New Zealand. We need to make changes so they better reflect the services we provide. Updating these guidelines will help us better measure how we are delivering for Aotearoa New Zealand.

➔ In 2023/24 we will:

- work with our key interested parties to develop a plan to update our SDGs
- improve how we measure our performance by reviewing our measures and available data and how they fit with our priorities.

This is the first step to developing new measures and guidelines for the way we deliver services in our communities.

Climate change and reducing carbon emissions

Our Climate Response Strategy 2022–2030 outlines our commitment and approach for decreasing our carbon emissions. We have worked to reduce our emissions by 19.5 percent since 2018/19. This means that we are on track to meet our reduction target for 2025 of 21 percent. We will set new targets for the coming years towards the 2030 target of 42 percent.

A key challenge for us will be to continue reducing our carbon emissions, as there are no viable alternatives for some of our biggest emissions areas (such as fire trucks) yet. However, we are committed to considering what else we can do, balancing this with what we can sustainably fund without compromising the safety of our people.

➔ To achieve this, in 2023/24 we will:

- continue to monitor our emissions to ensure we are on track to reach our 2025 target
- report publicly on our emissions in our annual reports
- develop our understanding of climate-related risks to the organisation. For example, investigate the implications of flooding and sea level rise risks to our fire stations.

Our Climate Response Strategy and targets align with the Carbon Neutral Government Programme and mean we are well placed to be able to meet the Government's requirements.



Statement of responsibility for the year ending 30 June 2024

This Statement of Performance Expectations is produced in accordance with the requirements of the Crown Entities Act 2004. These statements reflect our proposed performance targets and forecast financial information for the year ahead.

We, the Board of the Fire and Emergency New Zealand, take responsibility for this statement’s content. We have authorised, as appropriate, the forecast financial statements and underlying assumptions in this document, in accordance with our role under the Crown Entities Act 2004.

This Statement of Performance Expectations has been prepared as required under the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and the new Service Performance Reporting Standard (PBE FRS 48). We do not intend to update the forecast financial statements or non-financial performance targets after this document’s presentation.

Signed on behalf of the Board of Fire and Emergency New Zealand:

Rebecca Keoghan (Chair) Hon Ruth Dyson, QSO (Deputy Chair)

30 June 2023

Ā mātou mōreareatanga matua Our reportable outputs

Our reportable outputs ensure we are working toward actual benefits for the people of Aotearoa. The outputs reflect our core services that we undertake every day to protect and preserve lives, property, and the environment.

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

Fire prevention is one of the main areas of our commitment to protect New Zealand. Our focus is to help build community resilience so that people and communities are equipped with fire safety knowledge, are aware of their risks and know what action to take. All communities are affected by fire and strengthening our engagement benefits all Aotearoa. These measures are our way of understanding how effective we are at delivering these services to reduce the risk of fire.

What we will do

- promote fire safety
- provide fire prevention services
- assist in setting fire safety standards and granting certificates or approvals
- ensure compliance with standards through monitoring and enforcement.

Output 1.1 Promote fire safety

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

How we will monitor our performance		Target 2023/24
1.1.1	Ahikura Whānau-Centred Fire Education programme – participant uptake ⁴	20% increase ⁵ by 30 June 2024
1.1.2	Percentage of schools with Year 1 and 2 students offered the Get Firewise Programme ⁶	100% by 30 June 2025
1.1.3	Percentage of schools with Year 1 and 2 students who complete the Get Firewise Programme	60% by 30 June 2025
1.1.4	Percentage of survey respondents with an escape plan ⁷	62%
1.1.5	Percentage of survey respondents with at least one installed and working smoke alarm ⁸	88%
1.1.6	Percentage of Home Fire Safety Visits delivered in ‘medium- and high-risk communities’ ⁹	40%
1.1.7	Maintain an organisational relationship satisfaction rate with stakeholders ¹⁰	60%

Notes on removed measures

1.1.1: We have changed this measure from previously measuring ‘Rate of recidivism among Fire Awareness and Intervention Programme (FAIP) participants. After the COVID-19 response, and coupled with the recent industrial action, the number of referrals to the programme were so low that the rate of recidivism (i.e., participants returning to FAIP after completing it previously) was no longer an effective measure.

This new measure focuses on participation uptake to our new programme Ahikura. The programme better aligns with Te Ao Māori worldview and the values of Aotearoa New Zealand and clarifies the programme’s objectives and its benefits to young people.

4 See Notes on measures, below table.
5 We are looking to increase the previous year’s (2022/23) referral numbers by 20% in 2023/24.
6 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.
7 Our survey is handled externally by Colmar Brunton who employ random sampling to naturally represent the demographics of Aotearoa. The survey asks ‘Do you have an escape plan for your household if a fire occurs?’.
8 The external survey by Colmar Brunton asks ‘Do you have at least one smoke alarm installed in your house? If yes, are your smoke alarms working?’.
9 Medium- and high-risk as designated on Smart Risk – an application that allows ‘at-risk’ groups, identified in our ‘Safer NZ plan’, to be shown on an interactive map.
10 The external survey by Colmar Brunton asks ‘On a scale of 1-10 how effective was your engagement with Fire and Emergency compared with other agencies you work with?’.

Output 1.2 Provide fire prevention services¹¹

What we will do

- promote fire safety
- provide fire prevention services
- assist in setting fire safety standards and granting certificates or approvals
- ensure compliance with standards through monitoring and enforcement.

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

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

Notes on removed measures

Previously we reported against output using measure 1.2.1 Reduction in appliance movements to unwanted alarm events. We have removed this measure as we have identified we don't have the systems in place to accurately capture this data. We are working to resolve this and determine a new method to capture this information.

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

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

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

How we will monitor our performance		Target 2023/24
1.3.1	Percentage of fire permits processed within required time frames ¹²	Greater than 95%

Output 1.4 Ensure compliance with standards through monitoring and enforcement¹³

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

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

11 See Notes on removed measures, below table on page 31.
12 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.
13 Regulatory compliance forms part of our risk reduction work to keep our communities, property and our people safe. We are working on how best to measure our regulatory compliance effectiveness for this output subclass.

Output class 2: Fire response and suppression

How we respond to fires influences how well we minimise social, economic and environmental impacts from emergencies, how affected communities recover from fires, and how much they value and trust our services. Our focus is to deliver timely and effective fire response and suppression services that follow good practice, have a conscientious operational footprint and, where appropriate, work well with partners and stakeholders. These measures help us monitor how effective and efficient we are at deploying our resources when responding to fires.

What we will do

- respond to structure fires
- respond to vegetation fires
- maintain capability to respond to national wildfires
- support other emergency sector partners to respond to international wildfires.

Output 2.1 Response to fire

Our national Service Delivery Guidelines provide communities with our expected response capability. These guidelines provide targets to ensure we deploy resources efficiently to enable us to intervene as soon as practicable for these types of incidents. We will work to improve the way we measure our performance in this area over the coming years.

How we will monitor our performance		Target 2023/24
2.1.1	Percentage of structure ¹⁴ fires arrived at by career crews within 8 minutes	80%
2.1.2	Percentage of structure ¹⁴ fires arrived at by volunteer crews within 11 minutes	85%
2.1.3	Percentage of vegetation fires arrived at within 30 minutes (anywhere in NZ)	90%
2.1.4	All Regions to complete a simulation exercise ¹⁵	By 30 June 2024
2.1.5	Percentage of Communications Centre ¹⁶ events dispatched for all incidents in rural environments within 2 minutes of receiving the 111 call	85%
2.1.6	Percentage of Communications Centre events dispatched for all incidents in urban environments within 90 seconds of receiving the 111 call	85%

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

The system for managing hazardous substances involves multiple entities. It is important that we are good at what we are responsible for, so that those we serve and work alongside value and trust our services. Our focus is on our relationships with our hazardous substances stakeholders and partners to improve collaboration and our response expertise. How we respond to hazardous substances events also affects how well we minimise social, economic and environmental impacts from emergencies, and how affected communities recover from these events. We are working to improve how we report our effectiveness in this output class.

What we will do

- stabilise incidents
- render incidents safe
- protect people and property endangered by incidents
- promote safe handling, labelling, signage, storage and transportation of hazardous substances.

14 Structure fires within urban environments.
15 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.
16 111 fire calls are passed on to one of our three Communication Centres, who provide the essential link between the community and our operational units to respond to the incident.

Output 3.1 Response to hazardous substances

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

How we will monitor our performance		Target 2023/24
3.1.1	Percentage of hazardous substances incidents arrived at by crews with specialist resources ¹⁷ within 60 minutes	85%

Output 3.2 Assist in promoting the safe use of hazardous substances¹⁸

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

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

Responding to transport accidents and USAR events involves working with our emergency sector partners. We need to do so collaboratively to maintain and improve our relationships to ensure our services are valued and trusted. How we respond to transport accidents and USAR events also influences how well we minimise social, economic and environmental impacts from emergencies and how affected communities and individuals recover from events¹⁹.

What we will do

- provide response services to rescue persons who are trapped as a result of transport accidents
- assist by providing crash scene cordoning and traffic control at transport accidents
- deploy USAR services following serious weather events, other natural disasters and major vegetation fires both within New Zealand and internationally.

Output 4.1 Response to transport accidents

Responding to transport (motor vehicle) accidents is a main response function to rescue persons trapped as a result of this type of incident. We also assist our emergency service partners at the crash scene by providing cordoning and traffic control.

How we will monitor our performance		Target 2023/24
4.1.1	Percentage of motor vehicle accidents arrived at by crews with specialist resources ²⁰ within 30 minutes	90%

Output 4.2 Provide USAR services

Unplanned events are happening more often and becoming more severe. Responding to serious weather-related events, natural hazard events and disasters, and major vegetation fires is a main response function. This means we deploy skilled and specialist USAR teams both nationally and internationally. We maintain this capability through specialised training and equipment caches so we can respond quickly to these types of incidents.

How we will monitor our performance		Target 2023/24
4.2.1	Maintain USAR international classification ²¹	By 30 June 2024 ²²

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

18 We have yet to develop a measure for determining how effective we are at promoting the safe use of hazardous substances.

19 These measures seek to quantify the effectiveness of these specialist responses.

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

21 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.

22 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 attain USAR classification.

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

How we respond to other emergencies also influences how well we minimise social, economic and environmental impacts from emergencies, and how affected communities and individuals recover from events. Our focus is to deliver timely response services that follow good practice and contribute to discussions and forums with stakeholders and partners. These measures seek to quantify the effectiveness of our responses to other emergencies and natural hazard events.

What we will do

- assist in responding to medical emergencies
- assist in responding to a wide range of other types of (non-medical-related) emergencies
- assist in responding to non-transport-related rescue incidents.

Output 5.1 Assist in responding to medical emergencies

Responding to medical emergencies is an additional response function. It is based on 'first- and co-response' levels of expertise to assist our emergency service partners St John and Wellington Free Ambulance. This partnership can help to save lives, particularly as our crews are sometimes the first at the scene of an incident, e.g. an out-of-hospital cardiac arrest. This means they can start cardiopulmonary resuscitation and defibrillation as soon as possible. Our national Service Delivery Guidelines provide targets to ensure we deploy resources efficiently to respond to these types of incidents as quickly as possible.

How we will monitor our performance		Target 2023/24
5.1.1	Percentage of career crews who respond to medical emergencies ²³ within 8 minutes	85%
5.1.2	Percentage of volunteer crews who respond to medical emergencies ²³ within 11 minutes	80%

Output 5.2 Assist in responding to other (non-medical-related) emergencies²⁴

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

Output 5.3 Assist in responding to non-transport-related rescue incidents²⁵

Performing rescues is an additional response function and includes line and animal rescues, and rescues from collapsed buildings, confined spaces, unrespirable and explosive atmospheres, and swift water. This covers rescue incidents other than transport-related accidents.

23 Medical emergencies within urban environments.

24 We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected datasets as infographics or graphically to compare response volumes against other types of incidents we respond to.

25 We collect response data for this output subclass for information only. While these are not performance-based outputs, we can (and do) report selected datasets as infographics or graphically to compare response volumes against other types of incidents we responded to.

Te oranga me te
ngaio tanga o te tari

Budget and financial statements

Output class reporting for the year ended 30 June

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

Cost of the outputs for the year ending 30 June 2023

	Forecast levy receipts \$000	Forecast other revenue \$000	Forecast total expenditure \$000	Net surplus/ (deficit) \$000
Output class reporting²⁶				
1. Fire prevention including promotion of fire safety, compliance and enforcement	70,701	7,004	79,133	(1,428)
1.1 Promote fire safety	26,714	2,192	29,898	(992)
1.2 Provide fire prevention services	2,905	239	3,252	(108)
1.3 Assist in setting fire safety standards and granting certificates or approvals	37,014	4,239	41,430	(177)
1.4 Ensure compliance with standards through monitoring and enforcement	4,068	334	4,553	(151)
2. Fire response and suppression	462,363	14,939	517,516	(40,214)
2.1 Response to fire	462,363	14,939	517,516	(40,214)
3. Render safe hazardous substances and provide for safety at incidents	13,476	423	15,084	(1,185)
3.1 Response to hazardous substances incidents	13,039	387	14,594	(1,168)
3.2 Assist in promoting the safe use of hazardous substances	437	36	490	(17)
4. Rescue as a result of transport accidents and Urban Search and Rescue (USAR)	103,927	3,405	116,324	(8,992)
4.1 Response to transport accidents	79,515	2,362	89,000	(7,123)
4.2 Provide USAR services	24,412	1,043	27,324	(1,869)
5. Responding to other emergencies, including medical, maritime, other rescues and natural hazard events	31,385	2,408	35,130	(1,337)
5.1 Assist in responding to medical emergencies	13,736	1,128	15,376	(512)
5.2 Assist in responding to other (non-medical-related) emergencies	14,405	1,183	16,123	(535)
5.3 Assist in responding to non-transport-related rescue incidents	3,244	97	3,631	(290)
Total cost of outputs	681,852	28,179	763,187	(53,156)

Financial overview

Budgeted deficit for 2023/24 – planning to return to surplus 2024/25

The budgeted result for 2023/24 is an operating deficit of \$53.2 million. This deficit is a result of settling the New Zealand Professional Firefighters’ Union (NZPFU) Collective Employment Agreement (CEA) with the NZPFU on 6 December 2022.

An increase to the transitional levy rate is proposed to fund the additional costs of settling the CEA with the NZPFU and to move Fire and Emergency back to operating surpluses. The proposed increase in levy rates is progressing through the approval process and we anticipate a decision in the first quarter of the 2023/24 financial year. For this SPE we have assumed that an increase in transitional levy rates will be approved and implemented by 1 July 2024, which will generate an operating surplus for 2024/25 and future years.

The operating deficit in 2023/24 will reduce cash available to fund replacement of capital assets over the medium term. To ensure that the capital programme supporting operations continues over this period, the Crown has agreed to a repayable loan of \$75.4 million to be drawn down across three years from 2022/23, fully repayable by 2032/33.

Revenue

Fire and Emergency is currently primarily funded from levies on property and motor vehicle insurance. Existing levy rates are 10.6c per \$100 sum insured on properties and \$8.45 per motor vehicle insured per year. Total levy revenue is assumed to grow at 2.7% per annum through general economic activity.

As noted above, we have assumed that an increase in transitional levy rates of 12.8% will be approved and implemented by 1 July 2024. This is forecast to generate additional revenue of \$85.0 million in 2024/25 and \$86.7 million in 2025/26.

²⁶ Revenue and expenditure allocation methodology has been updated to better align indirect costs with the main functions of Fire and Emergency under section 11 of the Fire and Emergency New Zealand Act 2017.

Expenditure

Our costs are prioritised to ensure we have the capability and capacity (are ready) to respond when we are needed in our communities and also to bring our capabilities together to help a community when a large-scale emergency such as Cyclone Gabrielle happens. These ‘readiness costs’ benefit our capability and capacity to respond to fires and also to respond to other emergencies (our additional functions under the Fire and Emergency New Zealand Act 2017). Our capital asset programme is a cornerstone of our readiness, ensuring we have facilities and fire trucks that are fit for purpose and reliable.

The fiscal context of Fire and Emergency has changed significantly from 2021/22 following cost increases from the settlement of the CEA and other unavoidable cost increases.

We are planning to undertake some targeted projects to improve the services and support we provide to our people and communities. This helps make sure our people work in a safe environment that is free from bullying and harassment and that we help them stay healthy at work. This work also makes sure our people have the right training for the changing emergencies that we are facing. These programmes of work make sure we have good systems so we can pay our people fairly for their work, reliably and on time, and so we can effectively work with other agencies such as police and ambulance.

Operating expenditure is forecasted to increase in 2024/25 and 2025/26, at 1.6% and 5.1% respectively. This increase in 2025/26 reflects general inflationary pressures of approximately 2.8%, plus the necessary spending for targeted projects on employee and volunteer benefits and other expenditure.

Total costs will be managed to maintain long-term financial sustainability, responding to the outcomes of the transitional levy proposal and levy changes under Part 3 of the Act.

Net deficit

The forecast deficit attributable to the Board for 2023/24 is \$53.2 million. Returning to operating surpluses from 2024/25 assumes the transitional levy rate increase of 12.8% is approved and implemented by 1 July 2024.

Cash holdings

Cash reserves in 2023/24 decrease by \$51.1 million from the opening balance of \$172.4 million to \$121.4 million, primarily due to the increased operating costs resulting from settlement of the CEA, offset by a further \$25.0 million drawdown from the \$75.4 million Crown loan arranged to fund this settlement and ensure that the capital programme continues.

The remaining cash reserves are required to:

- fund the organisation’s repayment of the Crown funding injection, which amounts to \$39 million²⁷ over the three years forecast of this SPE
- fund the increased spend on capital expenditure (CAPEX) over and above depreciation funding from 2023/24–2025/26 of \$39.6 million
- maintain minimum reserves of \$50 million to manage cash flow risks arising from volatility in levy revenue receipts, working capital and the occurrence of a significant adverse event (for example, a major earthquake or fire).

The forecasted closing cash balance in 2025/26 is \$114.8 million.

The implementation of Part 3 of the Act on 1 July 2026 enables levy payments to be paid one month later than under the transitional levy regime. This means we will experience a one-month delay in receiving levy income. We have forecast that an additional \$69 million of cash is needed to manage this one-off transition in 2026/27.

Financial position

Fire and Emergency is budgeting for assets of \$1.7 billion and total liabilities of \$250 million at the end of 2023/24. This reflects the asset-intensive nature of the organisation and low levels of debt.

Our assets need to be fit for purpose to enable our personnel to be ready to be deployed with clean, safe and functional equipment, at the right place and time, and to be able to return efficiently and safely from an emergency response to a state of readiness.

The organisation has more than \$2.9 billion of required capital expenditure over the next two decades 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 carbon efficient appliances to progress the Government’s goal of becoming carbon neutral by 2025.

Total equity (or the value of the organisation) is forecast to increase to \$1.4 billion and reflects increased investment in our extensive asset base required in our service delivery.

27 \$13 million per annum for three years.

Prospective statement of financial performance for the years ending 30 June

	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
	\$000	\$000	\$000
Revenue			
Levy	681,852	789,481	810,785
Interest revenue	10,404	4,805	3,000
Other income	17,775	17,338	17,344
Total revenue	710,031	811,624	831,129
Expense			
Employee and volunteer benefits expenditure	491,867	505,220	530,147
Depreciation	73,931	73,839	70,580
Amortisation	1,692	2,127	2,755
Finance costs	2,612	3,778	4,618
Other expense	193,085	190,467	207,153
Total expense	763,187	775,431	815,253
Net surplus/(deficit) attributable to the Board	(53,156)	36,193	15,876
Other comprehensive revenue and expense			
Gains/(losses) on revaluation of land and buildings net of impairment losses	30,000	30,000	30,000
Total comprehensive revenue and expense	(23,156)	66,193	45,876
Other expense			
Fleet	29,558	29,538	30,105
Communications and computer	37,182	39,233	47,605
Occupancy	30,845	30,409	30,632
Operational clothing, equipment and consumables	33,659	33,992	33,675
Travel	12,241	13,691	14,530
Promotional activities	6,596	7,128	7,508
Professional fees	26,323	19,610	25,113
Grants	4,597	4,676	4,761
Insurance	5,884	5,999	6,119
Office equipment and consumables	2,029	2,025	2,028
Research and development	1,586	1,585	1,585
Other operating costs	2,585	2,581	3,492
Total other expenditure	193,085	190,467	207,153

Prospective statement of changes in equity as at 30 June

	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
	\$000	\$000	\$000
Equity as at 1 July	1,454,641	1,431,485	1,497,678
Total comprehensive revenue and expense	(53,156)	36,193	15,876
Revaluation reserves	30,000	30,000	30,000
Total equity at beginning of year	1,431,485	1,497,678	1,543,554

Prospective statement of financial position as at 30 June

	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
	\$000	\$000	\$000
Current assets			
Cash and cash equivalents	121,339	132,871	114,791
Trade and other receivables	138,640	159,923	164,081
Prepayments	4,503	4,503	4,503
Total current assets	264,482	297,297	283,375
Non-current assets			
Property, plant and equipment	1,402,178	1,443,939	1,489,315
Intangible assets	14,040	14,913	15,158
Total non-current assets	1,416,218	1,458,852	1,504,473
Total assets	1,680,700	1,756,149	1,787,848
Liabilities			
Current liabilities			
Trade and other payables	45,918	45,523	55,306
Employee and volunteer benefits	52,665	53,875	55,061
Funding Injection	12,682	13,132	0
Finance lease	3,035	3,303	2,034
Crown loan	0	7,787	8,267
Provisions	3,694	3,694	3,694
Total current liabilities	117,994	127,314	124,362
Non-current liabilities			
Employee and volunteer benefits	51,612	50,801	49,877
Funding Injection	13,163	0	0
Finance lease	5,337	2,034	0
Crown loan	50,400	67,613	59,346
Provisions	10,709	10,709	10,709
Total non-current liabilities	131,221	131,157	119,932
Total liabilities	249,215	258,471	244,294
Net assets	1,431,485	1,497,678	1,543,554
Equity			
Accumulated funds	683,120	722,603	741,769
Seismic resilience reserve	31,372	29,372	27,372
Crown funding injections	53,880	52,590	51,300
Revaluation reserve	663,113	693,113	723,113
Total equity	1,431,485	1,497,678	1,543,554

Prospective statement of cash flows for the years ending 30 June

	Budget 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000
Receipts from levy	678,242	767,732	806,477
Receipts from other revenue	17,571	17,139	17,145
Interest received	10,337	5,272	3,150
Payments to employees and volunteers	(477,864)	(506,640)	(527,509)
Payments to suppliers for goods and services	(199,299)	(189,245)	(199,920)
Net cash flow from operating activities	28,987	94,258	99,343
Purchase of property, plant and equipment	(84,327)	(85,400)	(85,756)
Purchase of intangible assets	(3,001)	(3,000)	(3,000)
Net cash flow from investing activities	(87,328)	(88,400)	(88,756)
Interest Paid	(1,981)	(3,291)	(4,445)
Payments on finance leases	(2,769)	(3,035)	(3,303)
Repayments of Crown funding injection	(13,000)	(13,000)	(13,132)
Crown Loan	25,000	25,000	(7,787)
Net cash flow from financing activities	7,250	5,674	(28,667)
Net increase/(decrease) in cash and cash equivalents	(51,091)	11,532	(18,080)
Cash and cash equivalents at the beginning of the period	172,430	121,339	132,871
Cash and cash equivalents at the end of the year	121,339	132,871	114,791

Statement of underlying assumptions

Significant assumption

Fire and Emergency in preparing the prospective financial statements have made assumptions. The most significant assumption is with respect to levy. Levy rates are increased on 1 July 2024 to fund increased operating costs resulting from settlement of the NZPFU CEA and to repay the Crown loan.

Critical accounting estimates

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, revenues and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable in the usual course of operations. The estimates and underlying assumptions are also reviewed on an ongoing basis and any changes to the estimates are recognised in the period in which they relate. Actual financial results achieved for the period may vary from the information presented.

Reporting entity

Fire and Emergency New Zealand is a body constituted under the Fire and Emergency New Zealand Act 2017 (the Act). Fire and Emergency is a Crown entity as defined by the Crown Entities Act 2004. Fire and Emergency's ultimate parent is the New Zealand Crown. Fire and Emergency is a standalone 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 budgeted year ending 30 June 2024 and forecasted years ending 30 June 2025 and 2026.

Basis of preparation

Statement of compliance

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

Presentation currency and rounding

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

Significant accounting policies

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

Revenue

Fire and Emergency measures revenue at the fair value of consideration received or receivable. Levy revenue is recognised as revenue when the obligation to pay the levy is incurred. Non-exchange revenue is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds if conditions are not met. Rental received under operating leases is recognised as revenue on a straight-line basis over the term of the lease. Donated assets are where a physical asset is acquired for no cost or nominal cost, the fair value of the asset received is recognised as revenue only when Fire and Emergency has control of the asset.

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

Operating leases

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

Cash and cash equivalents

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

Property, plant and equipment

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

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

Revaluations

Land and buildings are revalued annually to ensure that their carrying amount does not differ materially from fair value. Land and building revaluation movements are accounted for on a class-of-asset basis.

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

Depreciation

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

Estimated useful lives 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 the primary objective is to generate a commercial return.

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

For revalued assets, impairment losses are credited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent reversal of impairment that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense. For assets that are not revalued impairment losses and reversals of impairment are recognised in the surplus or deficit.

Intangible assets

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

Computer software

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

Shared Information Technology Environment

SITE is a systems and technology platform that supports receiving calls and dispatching resources to emergency incidents. The asset represents Fire and Emergency’s proportional share of SITE located at communication centres shared with New Zealand Police (Auckland, Wellington and Christchurch).

These SITE assets include Intergraph computer aided dispatch (ICAD) software, a land mobile radio network, and associated telecommunications structures. New Zealand Police maintain SITE and proportionally charges Fire and Emergency. This charge is recognised in the surplus or deficit.

Amortisation

Amortisation is charged to the surplus or deficit on a 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 purchases	up to 10 years
SITE	up to 10 years

Trade and other payables

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

Finance leases

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

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

Goods and services tax

Figures reported in the financial statements are goods and services tax (GST) exclusive with the exception of receivables and payables, which are disclosed GST inclusive. Where GST is not recoverable, it is recognised as part of the related asset or expense. The net amount of any GST balance, either recoverable or payable to the Inland Revenue, is included as part of receivables or payables in the Statement of financial position.

Commitments and contingencies are disclosed as GST exclusive.

The prospective Statement of cash flows has been prepared on a net GST basis, with cash receipts and payments presented GST exclusive. A net GST presentation has been chosen to be consistent with the presentation of the prospective Statement of financial performance and prospective Statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of cash flows. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Income tax

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

Financial instruments

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

A financial instrument is measured at fair value through surplus or deficit unless it is measured at fair value through other comprehensive revenue and expense, or amortised cost. Classification is determined by Fire and Emergency at initial recognition based on management objectives or for particular investments by an irrevocable election.

Statement of cash flows

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

Capital management

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

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