



# NEW ZEALAND FIRE SERVICE COMMISSION

## STATEMENT OF PERFORMANCE EXPECTATIONS 2016-17

PRESENTED TO THE HOUSE OF REPRESENTATIVES PURSUANT TO SECTION 149 OF  
THE CROWN ENTITIES ACT 2004

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## Statement of responsibility

The information on future operating intentions of the New Zealand Fire Service Commission for the year ending 30 June 2017 contained in this Statement of Performance Expectations 2016-2017 has been prepared in accordance with sections 149C and 149E of the Crown Entities Act 2004, as amended in 2013.

As members of the Fire Service Commission we acknowledge that, in signing this statement, we are responsible for the information contained in this Statement of Performance Expectations 2016-2017.

The Fire Service Commission is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures.

The prospective financial statements and assumptions and the forecast Statement of Performance Expectations have been prepared to meet the requirements of the Crown Entities Act 2004.

We certify that the information contained in the Statement of Performance Expectations 2016-2017 is a fair and reasonable reflection of the Fire Service Commission's operating intentions.

Hon Paul Swain  
Chair

28 June 2016

Dr Nicola Crauford  
Deputy Chair

28 June 2016

## Introduction

The purpose of the Statement of Performance Expectations is to:

- Enable the Minister to participate in a process of setting annual performance expectations,
- Enable the House of Representatives to be informed of those expectations, and
- Provide a base against which actual performance can be assessed.

Each financial year Crown entities including the Fire Service Commission are required to provide concise explanations for appropriations and reportable outputs in terms of what is intended to be achieved and how performance will be assessed.

This annual Statement of Performance Expectation for 2016-17 aligns with the Fire Service Commission's strategy as outlined in the 2014-18 Statement of Intent and should be read in conjunction with that document.

## Strategic intentions and current priorities

In our 2014-18 Statement of Intent we set out a range of ambitious goals backed by an extensive programme of work to achieve our vision of "Leading integrated fire and emergency services for a safer New Zealand" by 2020. Good progress has been made towards achieving that vision and, in particular, the key programmes and priorities of leadership development, incident management, volunteer and brigade resilience, safety, risk reduction and prevention, integration and medical response.

In November 2015 Cabinet agreed to unify New Zealand's fire services into one new organisation. The new organisation will unify urban and rural fire services with a new way of working, and with local committees. In creating this new organisation we will be aiming to ensure New Zealand's fire services are modern, efficient, and have a sustainable volunteer firefighter base and meet the needs of our communities. Legislation is expected to be introduced into parliament in the near future, and the new organisation is planned to be set up from mid-2017.

Consequently, it is expected that from mid-2017, the New Zealand Fire Service Commission as a body constituted under section 4(1) of the Fire Service Act 1975 will cease to exist and will be replaced by an organisation that will be governed by new legislation that is still to be passed. The new organisation will be a merger of the 52 rural fire authorities, the National Rural Fire Authority and the New Zealand Fire Service (which are both part of the New Zealand Fire Service Commission). Therefore, this will be the final Statement of Performance Expectations prepared for the New Zealand Fire Service Commission.

Implementing Cabinet's decision to unify New Zealand's fire services will be a major focus through to the start-up of the new organisation in mid-2017. Embedding the fundamental principles and

intent of our vision will ensure a focus on continued improvement during the transition phase to the new organisation, Fire & Emergency New Zealand (FENZ).

In terms of change, the creation of a new organisation will require the knitting together of the existing distinct cultures of the New Zealand Fire Service, rural fire authorities and Enlarged Rural Fire Districts, to create a single culture that reflects the strengths and traditions of the past and a strong identity for the new organisation.

The organisation is continuing to progress those aspects of the Vision 2020 which are congruent with the government's expectations of FENZ. Over the next year, transition will identify further work that may be required for the new organisation.

Consistent with the vision programme and Cabinet's recent decisions on the Fire Services Review and transition to a new organisation over the coming year, we have developed a five year plan. This plan is based around three key strategic responses that are required; a flexible risk-based operating model, leadership and capability development, and streamlining our processes.

The following table highlights some of the highest priority initiatives to be undertaken in 2016/17.

Organisational priority	Initiative	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17
Leadership and Capability	Leadership development programme – career and volunteer	Design/Implement			
ICT infrastructure	Improve and transform information and data	Scoping			
	Foundation and first phase mobility (ICT transformation /improvement)	Design/implement			
	Availability & messaging system implementation	Design/Implement			
	Paging solution	Scoping			
Health and Safety of firefighters	Workplace carcinogen exposure project	Implement			
Stakeholder engagement	Common Operating Picture – Emergency services (NZFS Lead)	Scoping			

Organisational priority	Initiative	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17
Support for volunteers and brigades	Volunteer resilience blue print	Design/Implement			
Health and Safety of firefighters	Working around water - capacity building	Scoping			

Where initiatives are scheduled to be scoped in 2016/17 it is our expectation that full business cases will then be developed, following which implementation will commence.

### Financial environment

The financial environment over the next three years is to undergo significant change with the transition of urban and rural fire services into the new unified organisation; Fire & Emergency New Zealand (FENZ). The transition's financial impacts include:

- the funding of the transition programme of work which is expected to take up to five years with the majority of expenditure being incurred in the first three years and then the expenditure tailing off over successive years,
- the cost of running both urban and rural fire services being brought together under FENZ, and
- the associated changes in the funding of FENZ including the government's repayable interest-free capital injection, direct Crown contribution for public good and income transfers to the Crown.

In the second half of 2016 a comprehensive two phase baseline review of the Fire Services operation and performance will commence. The review will look at the existing base and determine whether it is appropriate to meet the current and future demands of the organisations. The review will also consider the efficiency and effectiveness of the New Zealand Fire Service.

As noted above the funding of FENZ will evolve over the next three years. The funding will evolve from the current rates base through territorial authorities and levies on contracts of fire insurance for the New Zealand Fire Service to a combination of levies on material damage policies, repayable Crown cash injection, appropriation for the public good and direct charging for services. Borrowing and increased leasing where appropriate will also be explored which is enabled off the strong balance sheet held by the Board of FENZ. The accounting for the repayable interest-free capital injection through the Statement of financial position and performance will over the next four years creates wide swings in the Boards surplus/deficits. The size of the surpluses and deficits are not unexpected and in themselves do not reflect under or over financial performance by the Board.

## **Outcomes Framework**

The diagram (Figure 1) on the following page represents the Commission's outcomes framework including the services (outputs) the Commission provides, the impact those services have and the outcomes they seek to improve.

**Figure 1: Fire Service Outcomes Framework**

**Vision:** Leading integrated fire and emergency services for a safer New Zealand

**Mission:** To reduce the incidence and consequence of fire, and to provide a professional response to other emergencies.



The following two tables below give a more detailed breakdown of the intervention logic connecting the Fire Service's outputs and outcomes.



## Intervention Logic for Outcome 1

<b>Prepared Citizens: New Zealanders are more aware of the risks of fire and take more effective steps to lower their personal risk</b>
<b><i>What does the Fire Service do to prevent fires?</i></b>
<p>For residential homes:</p> <ul style="list-style-type: none"> <li>• Social marketing campaigns</li> <li>• Home safety visits and fitting smoke alarms</li> <li>• Firewise campaign for school children</li> <li>• Arson reduction programmes for fire setters</li> </ul> <p>For non-residential premises</p> <ul style="list-style-type: none"> <li>• Reviewing building consents</li> <li>• Approving evacuation schemes</li> </ul>
<b><i>How does it measure this activity? (output measures &amp; information measures)</i></b>
<p>For residential homes:</p> <ul style="list-style-type: none"> <li>• Delivery of social marketing campaigns as per schedule on time and budget</li> <li>• Social marketing campaigns maintain or improve percentage of people motivated to change their behaviour</li> <li>• Percentage of schools over a two year period who are approached, agree to deliver, and complete delivery of the Firewise programme</li> </ul> <p>For non-residential premises</p> <ul style="list-style-type: none"> <li>• Advice on building consents provided within required timeframes</li> <li>• Evacuation schemes processed within required timeframes</li> </ul>
<b><i>What difference does this make?</i></b>
<p>At a high level the outputs will improve the public's knowledge and awareness of fire safety. In addition, homes will become safer as more smoke alarms are fitted and more adequate preparation is made on what to do in the event of a fire.</p>
<b><i>How can the Fire Service measure this difference? (impact and quality measures)</i></b>
<p>For residential homes</p> <ul style="list-style-type: none"> <li>• 90% of people will believe a fire can become unsurvivable in 5 minutes or less (by 2017)</li> <li>• 90% of homes will have at least one smoke alarm installed (by 2017)</li> <li>• Percentage of young fire lighters referred back to the FAIP programme is 8% or less.</li> <li>• 75% of children (8-12 age group) have made a fire escape plan and/or practised a fire escape plan</li> </ul>
<b><i>How does this affect the outcome?</i></b>
<p>Improvements in fire knowledge and behaviour will reduce the number of fires. Increases in the number of smoke alarms and improvements in knowledge about what to do after a fire starts will help reduce the impact of fire. For commercial premises, the provision of advice to ensure that fire safety standards are adequately catered for will ensure that buildings are less prone to and safer in the event of fire.</p>
<b><i>How does the Fire Service measure the outcome?</i></b>
<ul style="list-style-type: none"> <li>• Number of structure fires less than 120 per 100,000 population per annum</li> </ul>

## Intervention Logic for Outcome 2

<b>Effective Response: By delivering an effective response, the Fire Service and rural fire forces reduce the loss from fire and other emergencies</b>
<b><i>What does the Fire Service do to reduce loss at fires?</i></b>
<p><i>Readiness:</i></p> <ul style="list-style-type: none"> <li>• Training and skills maintenance is carried out to ensure that all firefighters' skills are current and fit for purpose</li> <li>• Ensuring appropriate standards and co-ordination across the rural fire sector</li> </ul> <p><i>Response:</i></p> <ul style="list-style-type: none"> <li>• Fire service operational response</li> </ul>
<b><i>How does it measure this activity? (output measures &amp; information measures)</i></b>
<p><i>Skills maintenance &amp; risk awareness</i></p> <ul style="list-style-type: none"> <li>• 98% of career staff meet or exceed Operational Skills Maintenance (OSM) critical and core requirements</li> <li>• 95% of volunteers meet or exceed OSM critical and core OSM requirements</li> </ul> <p><i>Operational response</i></p> <ul style="list-style-type: none"> <li>• Number of incidents attended and timeliness of response</li> </ul> <p><i>Co-ordination of the rural fire sector</i></p> <ul style="list-style-type: none"> <li>• Audits and performance assessments carried out of the rural fire sector</li> </ul>
<b><i>What difference does this make?</i></b>
<p>By ensuring firefighters (rural and urban) are well trained and prepared for incidents, the number of injuries and other Level 2 serious incident investigations (see Note) should reduce and fires are effectively managed. More effective understanding of our partnerships will result in more seamless working relationships and may facilitate cooperative initiatives such as the MOUs with St John and the Wellington Free Ambulance services, and the creation of Enlarged Rural Fire Districts.</p>
<b><i>How can the Fire Service measure this difference? (impact and quality measures)</i></b>
<ul style="list-style-type: none"> <li>• Decrease in the number of serious injuries to firefighters and near misses</li> <li>• 75% of vegetation fires in rural fire districts contained within 2 hours of being reported</li> <li>• Maintain or improve ratings in the annual external stakeholder engagement survey</li> </ul>
<b><i>How does this affect the Outcome?</i></b>
<p>A more effective response should better contain the physical loss from fire. The fire fatality rate is included here and is a result both of prevention measures and the operational response.</p>
<b><i>How does the Fire Service measure the outcome?</i></b>
<ul style="list-style-type: none"> <li>• Avoidable residential structure fire fatality rate less than 0.45 per 100,000 population (0.43 by 30 June 2018 and 0.40 by 30 June 2020)</li> </ul>

Note: A Level 2 incident is where serious harm occurred, or could have occurred, or where there are significant concerns or national implications.

## Linking outputs to outcomes

The table below shows which outputs correspond to which outcome.

	PREPARED CITIZENS	EFFECTIVE RESPONSE
<b>Output 1.1</b> Fire prevention and advice to the general public.	✓	
<b>Output 1.2</b> Professional and technical advice to the built environment public.	✓	✓
<b>Output 1.3</b> Fire safety legislation.	✓	✓
<b>Output 2.1</b> Operational readiness.		✓
<b>Output 2.2</b> Operational responses to fire and other emergencies.		✓
<b>Output 2.3</b> Wider emergency management capability.		✓
<b>Output 3.1</b> Advice and support to fire authorities and rural fire committees and administration of the rural fire fighting fund and grant assistance schemes.	✓	
<b>Output 3.2</b> Rural fire standards, audit, evaluation of fire authority performance and management of the fire weather monitoring and prediction system.	✓	

## Outcome and Impact Measures

### Outcome 1: Prepared Citizens

Through a range of activities including social media campaigns, home fire safety visits, the Firewise programme for schools, and arson reduction programmes for fire setters, we aim to prevent fires. Additionally, in the case of non-residential premises, we are involved in reviewing building consents and approving evacuation schemes. These activities are intended to improve the public's knowledge and awareness of fire safety, and make homes safer as more smoke alarms are fitted and more adequate preparation is made on what to do in the event of a fire. The outcome we seek is improvements in fire knowledge and behaviour that will reduce the number of fires. Increases in the number of smoke alarms and improvements in knowledge about what to do after a fire starts will help reduce the impact of fires. For commercial premises, the provision of advice to ensure that fire safety standards are adequately catered for will ensure that buildings are less prone to, and safer in the event of fire.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
1.1	<ul style="list-style-type: none"> <li>Number of structure fires less than 120 per 100,000 population per annum.</li> </ul>	120 per 100,000 population	120 per 100,000 population	118 per 100,000 population
1.2	<ul style="list-style-type: none"> <li>Percentage of people will believe a fire can become unsurvivable in five minutes or less.</li> </ul>	90%	60%	88%
1.3	<ul style="list-style-type: none"> <li>Percentage of homes will have at least one working smoke alarm installed.</li> </ul>	90%	85%	85%
1.4	<ul style="list-style-type: none"> <li>Percentage of children (8-12 age group) who have:                             <ul style="list-style-type: none"> <li>ever made a fire escape plan</li> <li>or ever practiced a fire escape plan</li> </ul> </li> </ul>	75% 75%	—	—
1.5	<ul style="list-style-type: none"> <li>Percentage of young fire lighters referred back to the Fire Awareness Intervention Programme (FAIP)</li> </ul>	8% or less	—	—

Note: 1.4 and 1.5 are new measures.

### Outcome 2: Effective Response

By ensuring urban and rural firefighters are well trained and prepared for incidents the number of injuries should reduce and fires are more effectively managed. More effective understanding of

our partnerships will result in more seamless working relationships and facilitate cooperative initiatives such as the Memoranda of Understanding with the St John and Wellington Free ambulance services. A more effective response to fire and non-fire emergencies will contain the physical loss from fire.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
2.1	<ul style="list-style-type: none"> <li>Avoidable residential structure fire fatality rate less than 0.45 per 100,000 population (0.43 by 30 June 2018 and 0.40 by 30 June 2020)</li> </ul>	0.45 per 100,000 population	0.45 per 100,000 population	0.28 per 100,000 population
2.2	<ul style="list-style-type: none"> <li>Maintain or improve annual external stakeholder engagement survey scores: <ul style="list-style-type: none"> <li>overall score</li> <li>emergency services sector</li> </ul> </li> <li>(See Note)</li> </ul>	7.8 7.8	— —	— —
2.3	<ul style="list-style-type: none"> <li>Percentage of vegetation fires in rural fire districts contained within two hours of being reported.</li> </ul>	75%	75%	74%
2.4	<ul style="list-style-type: none"> <li>Decrease in the number of Fire Service workplace injuries to staff requiring more than seven days off work</li> </ul>	138	Reduction from previous year	125

Note: 2.2. New measure. Stakeholders are asked to rate the quality of their engagement with NZFS on a scale of 1 – 10, where 1 = very low and 10 = very high.

## Output class 1 - Fire safety education, prevention and advice

### Output 1.1 Fire prevention and advice to the general public

This output includes the delivery of fire safety education and advice to the public, including through national advertising media. These services aim to change peoples' behaviour by improving their knowledge about fire risks and what actions to undertake to reduce those risks.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
1.1.1	Firewise programme for primary schools (Years 1 & 2):			(See Note)

	<ul style="list-style-type: none"> <li>percentage of schools approached over two years to deliver the programme</li> <li>percentage of schools who agree to deliver the programme</li> <li>percentage of schools who complete delivery of the programme</li> </ul>	100%	100%	
1.1.2	Number of individuals (5-17 year olds) receiving the Fire Awareness Intervention Programme (FAIP)	information measure only	Information measure only	524
1.1.3	Number of homes which have received a home fire safety visit	information measure only	Information measure only	6,065

Note: Previously, 1.1.1 measured number of schools who agreed to deliver the programme. Result in 2014/15 was 823.

### **Output 1.2 Professional and technical advice to the built environment public**

This output includes the delivery of fire engineering, professional and technical fire safety advice to people involved in building: standard-setting, design, development, ownership and occupation. The advice covers fire safety features in building design and making sure buildings are used safely.

	<b>Measure</b>	<b>2016/17 Target</b>	<b>2015/16 Target</b>	<b>2014/15 Actual</b>
1.2.1	Percentage of advice (Fire Service memoranda) provided to territorial authorities on building consent applications within 10 working days of all required information being correctly received.	100%	100%	100%

### **Output 1.3 Fire safety legislation**

In some cases, the Fire Service has a legislative responsibility to provide fire safety advice. This includes the processing of building evacuation schemes. The measure below sets standards of timeliness for processing these applications.

	<b>Measure</b>	<b>2016/17 Target</b>	<b>2015/16 Target</b>	<b>2014/15 Actual</b>
1.3.1	Percentage of evacuation schemes submitted to the Fire Service are processed within the statutory timeframe (20 working days with	100%	100%	98%

	provision for a further 10 days, if required) once all required information has been correctly received.			
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## Output Class 2 – Fire fighting and other Fire Service operations

### Output 2.1 Operational readiness

Operational readiness describes the activities through which the Fire Service prepares to deliver its outputs. Given the risk critical nature of its operations, firefighters are required to undergo regular and intensive training and preparation.

These activities are not outputs in themselves, i.e. they are not a service to the public. They are however a large part of the Fire Service's activity and it is important that they are measured both from a health and safety perspective and in allowing management to assess the organisation's readiness to respond to emergencies.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
2.1.1	Percentage of Level 2 (serious incident) investigation reports completed within the required timeframe. (See Notes)	80%	100%	—
2.1.2	Percentage of Site Reports reviewed within the required timescale. (See Notes)	80%	100%	—
2.1.3	Percentage of OSM critical and core skills requirements met by career firefighters.	98%	98%	99%
2.1.4	Percentage of OSM critical and core skills requirements met by volunteer firefighters.	95%	95%	98%

Note 2.1.1: A Level 2 incident is where serious harm occurred, or could have occurred, or where there are significant concerns or national implications.

Note 2.1.2: Site reports are prepared by NZFS personnel for sites identified with significant fire and/or other risks.

### Output 2.2 Operational responses to fire and other emergencies

The measures in this section address the Fire Service's actual operational response. In most cases these measures should be treated as informative only and not regarded as indicators of performance. For example, the volume of services provided is demand driven and largely outside the Fire Service's direct control.

The volume measures are broken down to include the sub-category of incidents where a critical intervention was made, e.g. road traffic crashes where a rescue was made.

It is very hard to assess the quality of service at the point of delivery, e.g. how well or otherwise a fire was extinguished. Moreover, for many non-fire incidents the Fire Service's role is only to stabilise an incident and responsibility for resolution rests with other agencies.

Timeliness measures are therefore used as a proxy for quality. There is a strong correlation between how quickly the Fire Service arrives and incident outcomes for fire and medical emergencies. The assumption is made that if a well-prepared crew (as measured by the operational readiness measures) arrives in good time then the incident is likely to be successfully managed.

Timeliness measures are reported against national standards. These response times have been established to provide a balance between resource availability and early intervention to reduce or minimise the consequence of emergency incidents.

	Measure	2016/17 Target (See Note)	2015/16 Target	2014/15 Actual
2.2.1	Number of structure fires attended (including number where Fire Service equipment required to extinguish fire e.g. one hose reel or more).	<i>information measure only</i>	<i>information measure only</i>	5,413
2.2.2	Number of non-fire emergencies attended (total): <ul style="list-style-type: none"> <li>number of medical emergencies attended (including number where CPR/defibrillation carried out).</li> <li>number of motor vehicle accidents attended (including number where extrications performed).</li> <li>number of hazardous materials incidents attended (including number where Fire Service active management required).</li> </ul>	<i>information measure only</i>	<i>information measure only</i>	28,199
		-	-	10,304
		-	-	4,815
		-	-	3,245
2.2.3	Response times for structure fire incidents inside urban fire districts will be monitored for performance against the national service delivery guidelines of: <ul style="list-style-type: none"> <li>8 minutes for career stations.</li> <li>11 minutes for volunteer stations.</li> </ul>			
		90%	90%	84%
		90%	90%	89%



2.2.4	Response times for non-fire emergencies will be monitored for performance against the national service delivery guidelines:			
	<ul style="list-style-type: none"> <li>• 30 minutes for motor vehicle accidents.</li> <li>• 20 minutes for incidents requiring the specialist Hazmat unit within major urban areas.</li> <li>• for response to medical emergencies inside urban fire districts: <ul style="list-style-type: none"> <li>○ 8 minutes 90% of the time for career stations.</li> <li>○ 11 minutes 90% of the time for volunteer stations.</li> </ul> </li> </ul>	90%	90%	97%
		90%	90%	84%
		90%	90%	88%
		90%	90%	86%

Note: All the targets in Output 2.2 align with the Fire Service's National Service Delivery Guidelines

### **Output 2.3 Wider emergency management capability**

This output covers the Fire Service's wider emergency management activities. This includes the Fire Service's Urban Search and Rescue (USAR) capability which in March 2015 gained international accreditation.

A recent major initiative is the stakeholder engagement survey. This is an annual survey of the Fire Service's key stakeholders undertaken by an external organization. The results of the survey are used to further improve our communication, coordination and performance in working with other emergency services (Police, Ambulance and MCDEM) and a range of other key organisations that the Fire Service work closely with.

In the Outcome and Impact measures section there is a new measure related to the annual stakeholder survey.

Timeliness measures for non-fire emergencies are reported against national service delivery guidelines under output 2.2. We will look to develop new wider emergency management capability output measures in time for 2017/18. Proposed legislative changes should clarify the new organisation's mandate in relation to non-fire emergencies.

## **Output Class 3: Rural fire leadership and co-ordination**

### **Output 3.1 Advice and support to fire authorities and rural fire committees and administration of the rural fire fighting fund and grant assistance schemes**

This output covers National Rural Fire Authority (NRFA). The NRFA provides advice including interpretation on legal matters, advice and support to fire authorities and regional rural fire committees. The NRFA provides support to rural fire committees through the rural fire managers and the National Rural Fire Officer.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
3.1.1	Percentage of claims against the Rural Fire Fighting Fund are processed within two months of being received by the NRFA.	100%	100%	90%
3.1.2	Fire authorities fire plans: <ul style="list-style-type: none"> <li>number of fire authorities with an adopted fire plan and a copy submitted to the NRFA</li> <li>percentage of fire authorities with an adopted fire plan and a copy submitted to the NRFA</li> <li>percentage of fire authorities that have reviewed the risk reduction, readiness, response and recovery components of their fire plan within the required timeframes.</li> </ul>	46  100%  100%	—  —  —	46  100%  96%

***Output 3.2 Rural fire standards, audit, evaluation of fire authority performance and management of the fire weather monitoring and prediction system.***

This output covers the maintenance of the rural fire standards and auditing fire authority compliance against those standards. It also includes the evaluation of fire authorities' performance under the Forest and Rural Fires Act 1977.

	Measure	2016/17 Target	2015/16 Target	2014/15 Actual
3.2.1	Percentage of Rural Fire Authorities provided with written audit reports against national minimum standards within two months of the audit.	100%	100%	78% (7 of 9)
3.2.2	Percentage of Rural Fire Authorities provided with a draft performance report within two months of the performance assessment.	100%	100%	78% (7 of 9)
3.2.3	Percentage of audits of Rural Fire Authorities meeting the required standard.	90%	90%	69%

## Organisational capability – diversity and staff turnover

The organisational health measures are not outputs but are included in the Statement of Performance Expectation so that all measures are available in a single document.

**Achieve improved diversity of the Fire Service workforce so that it better reflects the communities we serve. Targets for career firefighters for June 2018 are:**

- 11.0% of operational firefighter will be of Maori origin.
- 4.3% of operational firefighters will of Pacific People origin.
- 5.5% of operational firefighters will be female.

**Maintain employee turnover rates below:**

- 15% for management and support and communication centre staff
- 6% for firefighters.

**Sufficient volunteers are available to volunteer brigades so they can meet their community obligations**

### Organisational Capability

#### Diversity

Career firefighter diversity	Target	2014/ 2015	2013/ 2014	2012/ 2013	2011/ 2012	2010/ 2011	2009/ 2010
Maori	11.0%	10.6%	10.4%	10.0%	10.3%	10.1%	9.6%
Pacific People	4.3%	3.9%	3.8%	3.5%	3.6%	3.6%	3.5%
Female	5.5%	3.0%	2.8%	3.9%	3.1%	3.2%	3.2%

Volunteer firefighter diversity	Target	2014/ 2015	2013/ 2014
Maori	11.0%	3.6%	2.8%
Pacific People	4.3%	0.3%	0.2%
Female	15.5%	14.5%	14.1%

## Consultation and reporting to the Minister of Internal Affairs

### ***Consultation with the Minister***

The Commission is committed to a “no surprises policy” for new initiatives, operational events and overall policies. The Commission will provide its responsible Minister with accurate, relevant, complete and timely information to ensure the Minister’s decisions and responsibilities with respect to the Commission can be carried out on a fully informed basis.

### ***Reporting to the Minister***

The Commission will provide quarterly progress reports to the Minister against its five priorities, this Statement of Performance Expectations and financial reports, key initiatives and other information as required. The quarterly reports will be provided within the following timeframes:

Quarter	Timeframe – no later than
1 July 2016 to 30 September 2016	28 October 2016
1 October 2016 to 31 December 2016	24 February 2017
1 January 2017 to 31 March 2017	28 April 2017
1 April 2017 to 30 June 2017	28 July 2017

## Cost of the outputs for the year ending 30 June 2017

The following table summarises the output classes and associated outputs, and the cost of providing those outputs for 2016-17.

	Forecast levy receipts \$000 GST excl	Forecast other revenue and income \$000 GST excl	Forecast total expenditure \$000 GST excl	Net surplus/ (deficit) \$000 GST excl
<b>Fire prevention and other forms of fire safety resulting in reduced frequency and impact of fires and other emergencies</b>	<b>57,086</b>	<b>1,203</b>	<b>59,534</b>	<b>(1,245)</b>
Output 1.1 Fire prevention and advice to the general public	41,618	513	42,925	(794)
Output 1.2 Professional and technical advice to the built environment public	13,627	163	14,196	(406)
Output 1.3 Fire safety legislation	1,841	527	2,413	(45)
<b>Firefighting and other Fire Service operations</b>	<b>303,110</b>	<b>12,974</b>	<b>322,967</b>	<b>(6,883)</b>
Output 2.1 Operational readiness	240,131	6,974	252,510	(5,405)
Output 2.2 Operational responses to fire and other emergencies	51,562	5,864	58,500	(1,074)
Output 2.3 Wider emergency management capability	11,417	136	11,957	(404)
<b>Rural fire leadership and coordination</b>	<b>8,103</b>	<b>1,370</b>	<b>9,631</b>	<b>(158)</b>
Output 3.1 Advice and support to fire authorities and rural fire committees and administration of the Rural Fire Fighting Fund and Grant Assistance schemes	6,998	1,356	8,621	(267)
Output 3.2 Rural fire standards, audit, evaluation of fire authority performance and management of the fire weather monitoring and prediction system	1,105	14	1,010	109
<b>Transition</b>	<b>0</b>	<b>0</b>	<b>23,440</b>	<b>(23,440)</b>
4.1 Output Cost for running the transition programme to merge NZFS and the RFA's into one organisation			23,440	(23,440)
<b>Total cost of outputs</b>	<b>368,299</b>	<b>15,547</b>	<b>415,572</b>	<b>-31,726</b>

## Prospective statement of comprehensive revenue and expense

for the years ending 30 June

	<b>Budget 2016/17 \$000</b>	<b>Forecast 2017/18 \$000</b>	<b>Forecast 2018/19 \$000</b>
<b>Revenue</b>			
Levy	368,299	486,553	499,195
Interest revenue	1,674	284	0
Other revenue	13,873	13,515	13,515
<b>Total revenue</b>	<b>383,846</b>	<b>500,352</b>	<b>512,710</b>
<b>Expenditure</b>			
Employee and volunteer benefits expenditure	275,668	329,854	335,097
Depreciation	36,289	43,255	49,329
Amortisation	4,003	3,387	3,370
Finance costs	633	975	836
Other expenditure	95,845	118,129	106,919
Rural Fire Fighting Fund claims expenditure	3,134	0	0
Campaign fires * estimated expenditure for campaign fire currently funded by Territorial Authorities	0	3,142	3,142
<b>Total expenditure</b>	<b>415,572</b>	<b>498,742</b>	<b>498,693</b>
<b>Net surplus attributable to the Commission</b>	<b>-31,726</b>	<b>1,610</b>	<b>14,017</b>
<b>Other comprehensive income</b>			
Gains on revaluation of land and buildings net of impairment losses	13,332	13,732	14,144
<b>Total comprehensive income attributable to the owners of the Commission</b>	<b>-18,394</b>	<b>15,342</b>	<b>28,161</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>* Other expenditure</b>			
Fleet	13,715	18,056	17,950
Communications and computer	20,350	16,888	16,888
Occupancy	17,055	19,197	19,226
Operational clothing, equipment and consumables	12,473	24,058	16,086
Travel	7,879	11,535	11,301
Publicity and advertising	5,694	7,782	7,332
Other	18,679	20,613	18,136
<b>Total other expenditure</b>	<b>95,845</b>	<b>118,129</b>	<b>106,919</b>

### NOTES:

1. On the 30<sup>th</sup> of June 2017 the Board is budgeting for a loss of \$31.726 million attributable to the Commission. This loss arises primarily from the accounting treatment of the repayable capital injection. The funding derived from the capital injection for the year commencing 1 July 2016 is accounted for through the balance sheet and not shown as revenue. The expenditure incurred off the back of the capital injection is accounted for through the Statement of comprehensive revenue and expense creating a mismatch between where the funding and the expenditure is reported.

2. The significant increase in expenditure on employee and volunteer benefits between 2016/17 and 2017/18 is as a result of the full implementation of rural staff, volunteer support, FENZ support staff and gratuities.

## Prospective statement of changes in equity

for the years ending 30 June

	<b>Budget 2016/17 \$000</b>	<b>Forecast 2017/18 \$000</b>	<b>Forecast 2018/19 \$000</b>
<b>Equity at beginning of year</b>			
Accumulated funds	549,840	519,158	520,768
Levy variability reserve	10,000	10,000	10,000
Major Emergencies Response Reserve	15,000	15,000	15,000
Seismic Contingency Reserve	5,000	5,000	5,000
Revaluation reserves	119,251	132,583	146,315
Rural Fire Fighting Fund	1,044	0	0
<b>Total equity at beginning of year</b>	<b>700,135</b>	<b>681,741</b>	<b>697,083</b>
<b>Changes in equity during year</b>			
<b>Transfers from statement of comprehensive income</b>			
Accumulated funds	-30,682	1,610	14,017
Levy variability reserve	0	0	0
Major Emergencies Response Reserve	0	0	0
Seismic Contingency Reserve	0	0	0
Revaluation reserves	13,332	13,732	14,144
Rural Fire Fighting Fund	-1,044	0	0
<b>Total comprehensive income</b>	<b>-18,394</b>	<b>15,342</b>	<b>28,161</b>
<b>Transfers from disposal of land and buildings</b>			
Accumulated funds	0	0	0
Revaluation reserves	0	0	0
<b>Total transfers from disposal of land and buildings</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total changes in equity during year</b>	<b>-18,394</b>	<b>15,342</b>	<b>28,161</b>
<b>Equity at end of year</b>			
Accumulated funds	519,158	520,768	534,785
Levy variability reserve	10,000	10,000	10,000
Major Emergencies Response Reserve	15,000	15,000	15,000
Seismic Contingency Reserve	5,000	5,000	5,000
Revaluation reserves	132,583	146,315	160,459
Rural Fire Fighting Fund	0	0	0
<b>Total equity at end of year</b>	<b>681,741</b>	<b>697,083</b>	<b>725,244</b>

## Prospective statement of financial position

as at 30 June

	Budget 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18,639	28,282	23,323
Trade and other receivables	84,946	88,812	93,843
Prepayments	1,580	1,580	1,580
Inventories	0	0	0
<b>Total current assets</b>	<b>105,165</b>	<b>118,674</b>	<b>118,746</b>
<b>Non-current assets</b>			
Property, plant and equipment	718,788	757,198	798,716
Intangible assets	4,271	6,770	9,087
<b>Total non-current assets</b>	<b>723,059</b>	<b>763,968</b>	<b>807,803</b>
<b>Total assets</b>	<b>828,224</b>	<b>882,642</b>	<b>926,549</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	33,900	31,814	32,571
Employee and volunteer benefits	29,098	31,493	32,919
Borrowings	238	12,549	12,533
Provisions	1,750	1,750	1,750
<b>Total current liabilities</b>	<b>64,986</b>	<b>77,606</b>	<b>79,773</b>
<b>Non-current liabilities</b>			
Employee and volunteer benefits	37,108	40,108	40,108
Borrowings	41,678	65,134	78,713
Provisions	2,711	2,711	2,711
<b>Total non-current liabilities</b>	<b>81,497</b>	<b>107,953</b>	<b>121,532</b>
<b>Total liabilities</b>	<b>146,483</b>	<b>185,559</b>	<b>201,305</b>
<b>Net assets</b>	<b>681,741</b>	<b>697,083</b>	<b>725,244</b>
<b>Equity</b>			
Accumulated funds	519,158	520,768	534,785
Levy Variability Reserve	10,000	10,000	10,000
Major Emergencies Response Reserve	15,000	15,000	15,000
Seismic Contingency Reserve	5,000	5,000	5,000
Revaluation reserves	132,583	146,315	160,459
Rural Fire Fighting Fund	0	0	0
<b>Total equity</b>	<b>681,741</b>	<b>697,083</b>	<b>725,244</b>



## Prospective statement of cash flows

for the years ending 30 June

	Budget 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
<b>Cash flows from operating activities</b>			
Receipts from levy	367,263	485,500	498,128
Receipts from other revenue	38,055	46,398	37,663
Interest received	1,724	284	0
Net GST received/(paid)	3,379	(1,421)	27
Payments to employees and volunteers	(275,473)	(329,459)	(333,671)
Payments to suppliers for goods and services	(101,068)	(114,723)	(121,865)
<b>Net cash flows from operating activities</b>	<b>33,880</b>	<b>86,579</b>	<b>80,282</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	11,700	1,100	6,300
Proceeds from sale of Property Plant and Equipment - finance lease	92	0	0
Purchase of intangible assets	(2,929)	(5,887)	(5,687)
Purchase of property, plant and equipment	(56,779)	(69,032)	(83,003)
<b>Net cash flows from investing activities</b>	<b>(47,916)</b>	<b>(73,819)</b>	<b>(82,390)</b>
<b>Cash flows from financing activities</b>			
Payment of finance leases	(1,362)	(2,238)	(2,111)
Proceeds from borrowings	0	0	0
Interest paid	(536)	(879)	(740)
<b>Net cash flows from financing activities</b>	<b>(1,898)</b>	<b>(3,117)</b>	<b>(2,851)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(15,934)</b>	<b>9,643</b>	<b>(4,959)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>34,573</b>	<b>18,639</b>	<b>28,282</b>
<b>Cash and cash equivalents at end of year</b>	<b>18,639</b>	<b>28,282</b>	<b>23,323</b>

## Financial Assumptions

### ***Business Assumptions surrounding the 2016/17 budget, as well as the 2017/18 and 2018/19 forecasts***

	2016/17	2017/18	2018/19
Salaries and wages	2.0%	2.8%	2.8%
New Recruits	60	96	96
Regions	5	TBA	TBA
Areas	24	TBA	TBA

1. New organisation is established, and is responsible for urban and rural fire, and other mandated emergencies, from 1 July 2017
2. The interim levy rates will be set with cash flowing from 1<sup>st</sup> July 2017 (on current base) 1<sup>st</sup> July 2018 (on new base) and then a third rate set on 1<sup>st</sup> July 2019.
3. \$22 million pa has been estimated as the cost of additional rural resources from 1<sup>st</sup> July 2017.
4. The cost of funding the current capital programme for the Board which is in excess of the depreciation cost will be funded via the new rates of levy.
5. The new organisation will start investing in the rural assets (replacement & upgrade) from 2017/18. However no provision has been made for the potential transfer of rural assets to the Board.
6. Interim rates of levy will be proposed for 2017/18 and 2018/19 financial years and then a three year rate from 1 July 2019. The rate of levy from 1 July 2017 incorporates the cost of operating FENZ each year as well, the required capital investment and the repayment (over 9 years) to the Crown of the capital injection.

### ***Economic Assumptions surrounding the 2016/17 budget, as well as the 2017/18 and 2018/19 forecasts***

	2016/17	2017/18	2018/19
Levy Rate	7.6c	TBA	TBA
Cash Rate (1)	2.25%	2.0%	2.75%
CPI (1)	0.3%	1.7%	1.9%
US 10 year Treasury rates	2.0%	2.75%	2.75%
USD /NZD (1)	0.65	0.61	0.66
EUR /NZD (1)	0.60	0.56	0.59
AUD /NZD (1)	0.90	0.88	0.89
Diesel price (excluding GST)	\$0.80	\$1.00	\$1.20
Petrol price (excluding GST)	\$1.70	\$1.90	\$1.90

Base data from BNZ Strategist 17 March 2016 March Year

#### Levy construction rates

- 23,000 new houses with an 89% rate of insurance
- 3.5% increase on Private Motor Vehicles with a 95% rate of insurance
- Commercial growth matched to 2.1% GDP growth

## Statement of Accounting Policies

### Reporting entity

The New Zealand Fire Service Commission (the Commission) is a body constituted under section 4(1) of the Fire Service Act 1975. The Commission is a Crown entity as defined by the Crown Entities Act 2004 and the ultimate parent is the New Zealand Crown. The primary objective of the Commission is to provide fire and emergency services in New Zealand for community benefit rather than to make a financial return. The Commission has designated itself as a public benefit entity (PBE) for financial reporting purposes.

These prospective financial statements for the Commission are for the years ended 30 June 2017, 2018 and 2019.

### 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).

The financial statements comply with Tier 1 PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. This includes New Zealand Reporting Standard No.42: Prospective Financial Statements (FRS-42).

#### **Measurement base**

These prospective financial statements have been prepared on a historical cost basis modified by the revaluation of the following:

- Financial assets and liabilities at fair value
- Derivative financial instruments at fair value
- Certain classes of property at methods appropriate to the class of asset.

#### **Functional and presentation currency**

These prospective financial statements are presented in New Zealand dollars which is the Commission's functional currency and rounded to the nearest thousand dollar (\$000) unless otherwise stated.

#### **Critical accounting assumptions**

In preparing these prospective financial statements, The Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results, and variations may be material. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances.

### Significant accounting policies

The following accounting policies, which significantly affect the measurement of financial performance and financial position, have been consistently applied.

**Revenue**

Revenue is measured at fair value and is recognised when earned and is reported in the financial period to which it relates to.

**Interest**

Interest income is recognised using the effective interest rate method.

**Foreign currency transactions**

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the date of the transaction.

**Operating leases**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission are classified as operating leases.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the prospective statement of comprehensive income. Lease incentives received are recognised in the prospective statement

**Cash & cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

**Bank term deposits**

Investments in bank term deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

**Property, plant and equipment**

Property, plant and equipment asset classes consist of building fit out, computers, furniture and fittings, office equipment and motor vehicles. Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

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 the Commission and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the prospective statement of comprehensive revenue and expense.

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 the Commission and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expense as they are incurred.

### ***Depreciation***

Depreciation is charged to the Statement of Comprehensive Revenue and Expense on all property, plant and equipment other than land and work in progress. Depreciation is calculated on a straight-line basis at rates estimated to write off the cost (or valuation) of an asset, less any residual value, over its useful life.

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

Buildings	10-70 years	1-10%
Fire appliances	10-30 years	3-10%
Motor vehicles	4-20 years	5-25%
Communications equipment	5 years	20%
Computer equipment	4-10 years	10-25%
Operational equipment	4-12 years	8-25%
Non-operational equipment	5-15 years	7-20%
Leasehold improvements	3-10 years	10-33%

### ***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 and bring the software into use. Costs capitalised for internally developed computer software include the costs incurred in the development phase only. Expenditure incurred on research is recognised in the Statement of Comprehensive Revenue and Expense, 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. These SITE assets include computer-aided dispatch software, land mobile radio network and associated telecommunications structures. SITE is primarily housed in the communication centres shared with the New Zealand Police. The value capitalised reflects the Commission's proportional ownership. The New Zealand Police maintains SITE and proportionally charges the Commission. This charge is recognised in the Statement of Comprehensive Revenue and Expense.

### ***Amortisation***

Amortisation is charged to the Statement of Comprehensive Revenue and Expense 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	4-10 years	10-25%
Computer software purchased	4-10 years	10-25%
SITE	4-10 years	10-25%

### ***Impairment of non-financial assets***

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### ***Payables***

Payables are recorded at their face value.

### ***Employee and volunteer entitlements***

A provision for employee and volunteer benefits is recognised as a liability when the benefits have been measured but not paid.

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 at current rates of pay.

Benefits that are payable beyond 12 months, such as long service leave, retirement leave and gratuities for both paid fire fighters and volunteers, are calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the 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 Comprehensive Revenue and Expense.

### ***Superannuation schemes***

#### ***Defined contribution schemes***

Contributions to Kiwi Saver, the State Sector Retirement Savings Scheme and the National Provident Fund are accounted for as defined contribution superannuation schemes and are expensed in the Statement of Comprehensive Revenue and Expense as they fall due.

#### ***Defined benefit schemes***

The Commission 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.

### ***Goods and Services Tax (GST)***

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD (including the GST relating to investing and financing activities), is classified as an operating cash flow in the statement of cash flows.

### ***Income Tax***

The Commission is exempt from income tax in accordance with both the Income Tax Act 2004 and the Fire Service Act 1975. Accordingly, no provision has been made for income tax.

### ***Property, plant and equipment useful lives and residual values***

The residual value and useful life of property, plant and equipment and intangible assets are reviewed at each balance date. Assessing the appropriateness of useful life and residual value estimates requires the Commission 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 the depreciation or amortisation expense recognised in the Statement of Comprehensive Revenue and Expense, and the carrying amount of the asset in the Statement of Financial Position. The Commission minimises the risk of this estimation process by:

- Performing asset verifications
- Revaluing land and buildings
- Impairment testing
- Asset replacement programme.

The Commission has not made significant changes to past estimates of useful lives and residual values.

### ***Financial instruments***

The Commission, as part of its everyday operations, is party to financial instruments that have been recognised in these financial statements. These financial instruments include accounts payable and accounts receivable, cash and short term deposits.

All financial instruments are recognised in the prospective statement of financial position, and revenues and expenses in relation to all financial instruments are recognised in the prospective statement of comprehensive revenue and expense.

***Statement of cash flows***

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Commission invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Commission and records cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

The cash statement has been prepared using the direct method subject to the netting of certain cash flows.

***Capital intentions***

The Commission is forecasting to purchase office equipment, information technology items, building fit-out, furniture and fittings and motor vehicles/fire appliances during the period covered by this Statement of Performance Expectations.



## Glossary

AERIK	Accident or Event Reporting and Investigation Kiosk
ERFD	Enlarged Rural Fire Districts
FAIP	Fire Awareness and Intervention Programme
FENZ	Fire & Emergency New Zealand
FRMO	Fire Risk Management Officer
FSR	Fire Services Review
GAAP	Generally Accepted Accounting Practice
GST	Goods and Services Tax
Hazmat	Hazardous Material
ICG	Incident Ground Communications
IRD	Inland Revenue Department
MOU	Memorandum of Understanding
MVA	Motor vehicle accidents
NRFA	National Rural Fire Authority
OSM	Operational Skills Maintenance
PPE	Personal protective equipment
PS PBE	Public Sector Public Benefit Entities
RFA	Rural Fire Authority
RFFF	Rural Fire Fighting Fund
SITE	Shared Information Technology Environment
TAPS	Training and Progression System
USAR	Urban Search and Rescue



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