



WHAKARATONGA IWI

FIRE
EMERGENCY

NEW ZEALAND

Briefing to the Incoming Minister

November 2020

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Message from the Chair

Whakatau mai rā ngā manaakitanga
o te kāhui atua, o te kāhui tupuna
kia noho houkura ai te taiāo
kia noho haumaruru ai te tangata
whakatau mai rā ngā ūaratanga
ki te pae ngākau, ki te pae hinengaro
o te Kāhui Ratonga Ahi me ngā ohotata i Aotearoa
ko te 'Tika'
ko te 'Manaakitanga'
ko te 'Whanaungatanga'
ko te 'Auahatanga'
hei orangatonutanga mō te kāhui whānui tonu
tihei mauri ora!

Let us be guided
by the care and wisdom of the deities and
ancestors
to create and maintain environments that flourish
to protect and build communities that thrive
let these core values be embedded
in the hearts and minds
of Fire and Emergency New Zealand
'we do the right thing'
'we serve and support'
'we are better together'
'we strive to improve'
for the long-lasting safety of all
let there be life!

On behalf of the Fire and Emergency
New Zealand Board, I would like to
congratulate you on your
appointment as Minister of Internal
Affairs. This briefing describes Fire and
Emergency and our responsibilities. It
outlines upcoming milestones and key
decisions, key areas of work and
current issues and supports the
briefing provided by the Department
of Internal Affairs, which provides you
with policy advice on our fire and
emergency services.

The Board looks forward to meeting
with you to discuss your priorities as
Minister of Internal Affairs.



HON. PAUL SWAIN
Chairman

Fire and Emergency New Zealand Board

Introduction

Kupu Whakataki

Your role as Minister of Internal Affairs

Fire and Emergency New Zealand is a Crown entity. Your role as Minister includes appointing the Board of Fire and Emergency New Zealand, participating in setting our strategic direction and funding arrangements and reviewing our performance and management of risk.

Our Board meets with you regularly. Like government departments and ministries, we are guided by the “no-surprises” principle set out in the Cabinet Manual. That means we will keep you informed of matters of significance, particularly when those matters may be controversial or may become the subject of public debate.



About us

Mō Mātou

Fire and Emergency was formed on 1 July 2017 to bring together in a single, unified organisation people from the New Zealand Fire Service, the Fire Service Commission, the National Rural Fire Authority, 12 rural fire districts and 26 territorial authority rural fire authorities. We have a workforce of about 15,000 people. This is similar in size to Police and the New Zealand Defence Force (NZDF). The difference is that most of our personnel are volunteers.

Our primary objectives under our empowering legislation are to reduce unwanted fires and to protect and preserve life, prevent injury, and prevent or limit damage to property, land and the environment. We also have a range of additional functions that include assisting with medical emergencies, natural disasters and hazardous substance-related incidents.

In the last year, we attended more than 83,000 incidents. The total included more than 23,000 fires, almost 14,000 medical emergencies and just over 9,000 motor vehicle accidents. The latter figures are an indication of the way our role is changing as the social and physical environment in which we operate changes.

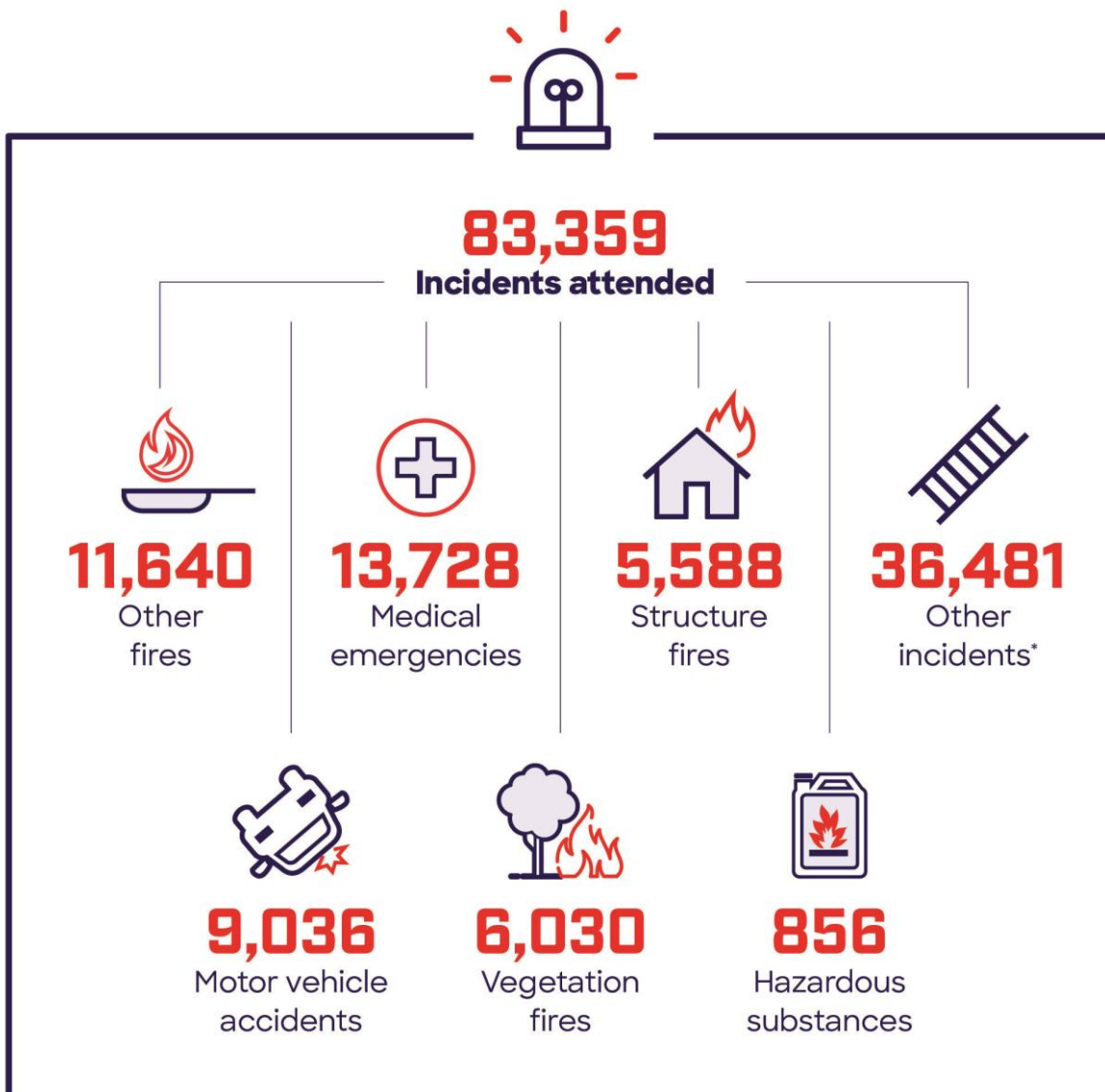
With 653 fire stations, we have a presence in most New Zealand communities. Our 1,800 career firefighters are based at 43 career and 36 composite (joint career and volunteer) stations in larger population centres. Our 11,800 volunteers operate mostly out of 574 rural and smaller urban centre stations. Management and support staff are based at National Headquarters in Wellington and regional offices.

Our personnel are highly skilled, committed and respected. In July, we were named as the most trusted public sector agency in Colmar Brunton’s annual public sector reputation index survey for the fifth year in a row.

We are funded mainly from the levy on property that is insured against fire. It produces about 95 percent of our revenue (\$595 million last year). As was to be expected, the COVID-19 pandemic is impacting on our revenue.

Climate change presents a growing challenge to us as an organisation. Already this spring, we have fought significant wildfires at Pukaki Downs and Lake Ohau near the centre of the South Island. The National Institute of Water and Atmospheric Research (NIWA) has identified drier-than-usual soil moisture conditions on the east coast of the far North, the central North Island and the mid to lower central and east of the South Island. These conditions increase the fire and financial risk this fire season. We will keep you updated of developments.

Fire and Emergency at a glance

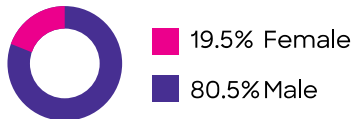
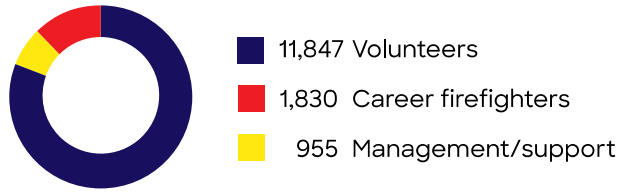


*Other incidents include suspected fires, assistance to the police and public, responses to weather-related incidents, faulty alarm systems and malicious false alarms.

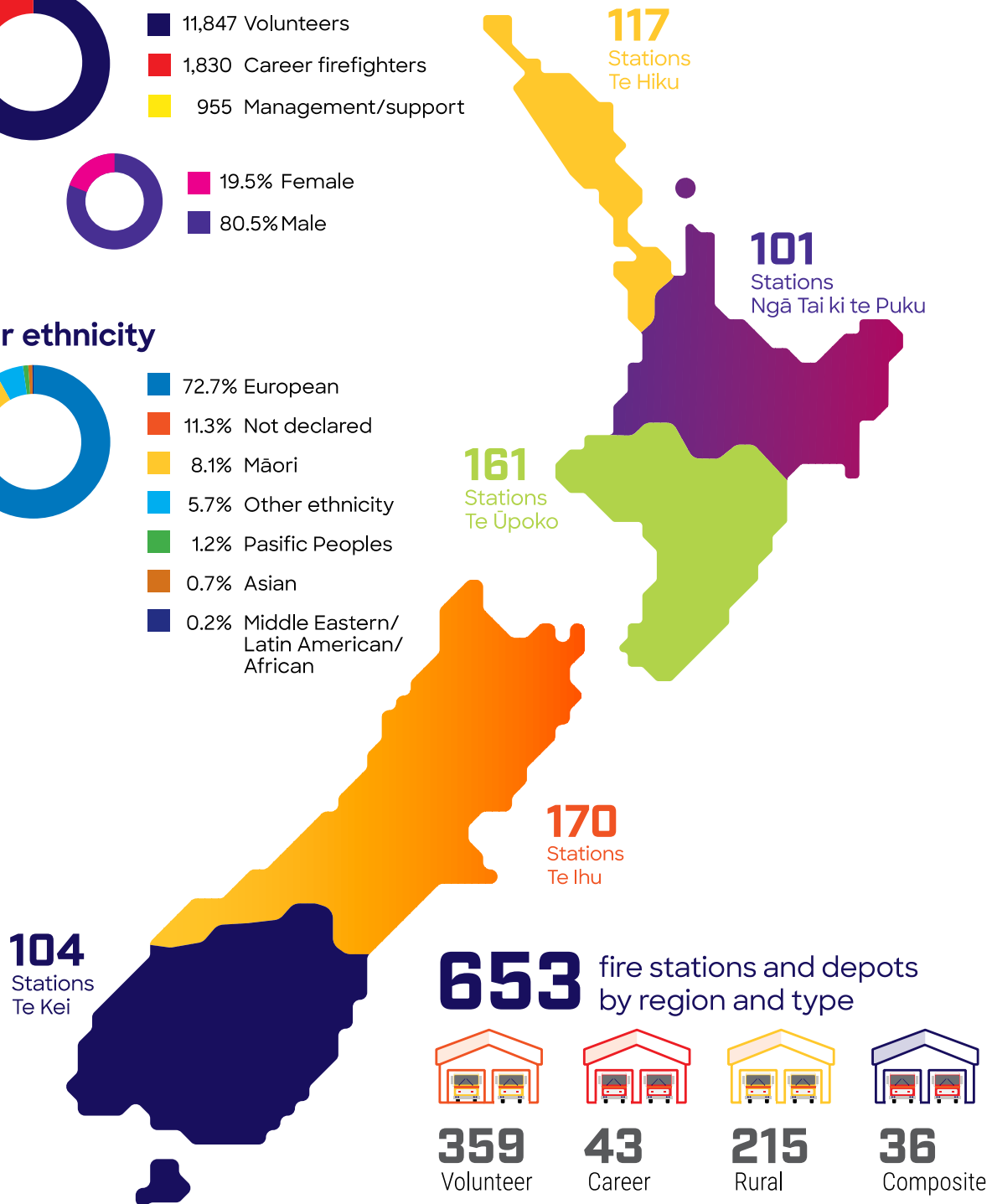
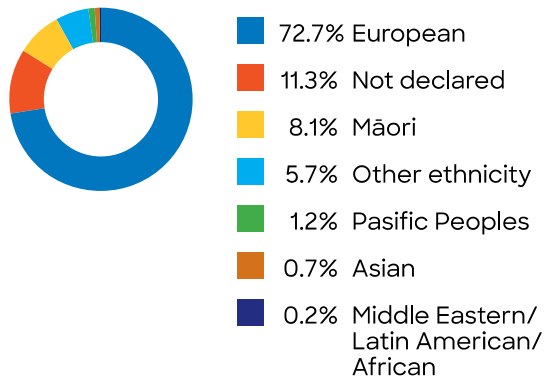
Our people

Ngā tāngata

Our people^[1]



Our ethnicity



^[1] In line with Public Service Commission guidelines, our volunteer count is based on headcount, and our permanent and fixed-term workforce (management and support) count is based on full-time equivalents (FTE).

Our commitment to Māori as tangata whenua

Tā mātou tauāki paiherenga ki te Māori hei tangata whenua

Fire and Emergency recognises the status of Māori as tangata whenua and, as such, the importance of Māori communities as key stakeholders in Fire and Emergency's work.

As part of our commitment to working with Māori, we recognise:

- iwi and Māori as community leaders with an important role to play in preventing fires and other emergencies, building community resilience, and informing emergency response
- iwi as our partners in risk reduction as significant and growing land and forest owners; and
- Māori are disproportionately affected by unwanted fires, and that needs to change.

In recognition of the place of Māori in New Zealand we are committed to working with tangata whenua to contribute to a safer environment not only for Māori, but for all New Zealand communities. Doing this requires us to engage in culturally appropriate ways and to strengthen our cultural capability, diversity and inclusiveness so that we better reflect and engage with the communities we serve.

Practical effect is given to this commitment by engaging with iwi as community leaders and major land and forest owners, incorporating tikanga Māori in land blessings and station openings, promoting the use of te reo Māori within the organisation, performing karakia before international deployments, assisting with tangihana following fatal fires, making fluent te reo speakers available to talk to the news media, and incorporating te reo signage and the poutama design on all new fire trucks.

Upcoming milestones and decisions

Nga pae tata

Annual report

Our 2019/20 annual report will be provided to you on 11 December for tabling in Parliament.

Policy and legislation issues

Earlier this year Fire and Emergency worked with the Department of Internal Affairs (DIA) on two legislative changes to address the impact of COVID-19 on our usual operating environment. They were:

- a broadening of the circumstances in which Fire and Emergency can prohibit the lighting of fires in open air, to minimise avoidable emergency responses and the close physical contact associated with them
- suspension of building owners' duties to carry out trial evacuations, or to conduct evacuation training programmes, which can bring building occupants into close physical contact with each other in non-emergency situations.

Both amendments are linked to the Epidemic Preparedness (COVID-19) Notice 2020, which has been extended a second time for another three months (until 23 December 2020). The continued suspension of evacuation trials and training activities increases fire-related risk to building occupants. Work is underway with DIA to develop a legislative solution to address this risk.

Funding review

In 2019, Cabinet agreed to initiate a first principles review of the way Fire and Emergency is funded. To accommodate the review, existing funding arrangements were extended until 1 July 2024, unless repealed earlier.

Earlier this year the funding review was put on hold due to the COVID-19 pandemic and the election. We would welcome discussion on next steps.

Organisational change

Fire and Emergency was formed on 1 July 2017 to create a single organisation with the critical mass to respond quickly and effectively to the new challenges posed by climate change, a growing population and changes in the way we live. Over the past three-and-a-quarter years, the organisation has put in place the new functions, values, operating principles, and leadership capabilities needed for now and the future.

This has included establishing the new Executive Leadership Team, leadership teams in the different branches and our Risk Reduction and Community Readiness and Recovery directorates. The next stage of the process is unifying Service Delivery leadership at a regional and local level. Currently senior rural and urban fire officers serve alongside each other in urban areas and rural districts. Unifying the leadership will ensure we have a single response structure for responding to fires and other emergencies. We are also establishing dedicated risk reduction and community readiness and recovery teams.

Proposed changes to the structure of our Service Delivery branch were announced in June. The proposals were consulted on widely with our people and the unions and associations which represent them – the New Zealand Professional Firefighters Union (NZPFU), the United Fire Brigades' Association (UFBA), the Forest and Rural Fire Association of New Zealand (FRFANZ), the Fire and Emergency Commanders Association (FECA), the Public Service Association (PSA) and the Rural Professionals Association (RPA).

The proposed changes do not impact on anyone at a station or brigade level. However, the NZPFU is legally challenging the appointment process for the new positions, which gives people who would otherwise be made redundant preference for the new roles.

The case hinges on whether the Fire and Emergency New Zealand Act 2017 or the NZPFU Collective Employment Agreement (CEA) take precedence. The Act provides that in the case of a restructure, disestablished staff have preference for new positions; the CEA requires the person best suited to be appointed to the role.

The case was heard in the Employment Court on 19 August and we are awaiting the Court's decision. Until the outcome of the case is known we will not proceed with interviews for the new positions.

Summer Wildfire Campaign

Advising the public about how to reduce fire risk is an increasingly important part of what we do. The Pigeon Valley fire in Tasman which burned about 2300 ha of plantation forest, property and pasture in 2019 was started by a spark from a disc plough igniting dry grass. Other causes of wildfires include campfires, bonfires and burn-offs.

We have already responded to several significant wildfires this season and drier-than-usual soil moisture conditions have increased the risk in many parts of the country. To remind the public of the danger fire presents to people and the natural environment, last year we launched a new campaign using kiwi, tui and pīwakawaka (fantails) as fire safety ambassadors. Research conducted during the campaign found they proved highly effective in getting attention because people feel an emotional connection to our native birds.

This year's campaign is running from November until March 2021. The goal of the campaign is to raise awareness of risk and fire safety measures among our target audiences –tourists and people who live in rural and semi-rural communities. Your assistance in launching the general public phase of the 2020/21 campaign would be extremely valuable.



Launch of proud employer mark

Alongside our career firefighters, volunteers are a critical component of Fire and Emergency. We value their contribution and the support they receive from their families and employers. The Proud Employer mark is a new initiative to build recognition of businesses that support our volunteers and self-employed volunteers. The mark, similar to a Fair Trade or Qualmark symbol, will be displayed on businesses across the country. A nationwide advertising campaign commenced on 2 November. In preparation for this campaign, the mark was launched at a low-key event by your predecessor in August. Any support you can provide for this initiative would be welcome.



PROUD EMPLOYER OF
FIRE AND EMERGENCY
VOLUNTEERS

HE RŌPŪ KOTAHI TĀTOU

Station openings

Construction of new fire stations at Pōkeno and East Coast Bays is almost complete. Once opened they will be the 12th and 13th new stations to be built since Fire and Emergency was formed. Of the 11 already opened, five are in Christchurch where our network was devastated by the February 2011 earthquake. Over the same period, we have also undertaken six major upgrades of earthquake-prone stations. Investment in new and upgraded stations enables us to have the right resources in the right places to keep the public safe. We will advise your office of opening dates.



How we are governed

Te Mana Whakahaere

The Fire and Emergency New Zealand Act 2017 sets out the authority, responsibilities and operation of the Board. The management of the business and affairs of Fire and Emergency takes place under the direction of its governing body, the Board. Under section 28(1)(a) of the Crown Entities Act 2004 and section 9 of the Fire and Emergency New Zealand Act 2017, the Minister of Internal Affairs appoints a Board of not fewer than five, and not more than six members.

Board members are appointed for terms not exceeding three years, but may be eligible for reappointment.



The Board

Tō Mātou Poari

Members of the Fire and Emergency New Zealand Board are appointed by the Minister of Internal Affairs having regard to criteria set out in both the Crown Entities Act 2004 (as amended in 2013) and the Fire and Emergency New Zealand Act 2017. The Board has two committees: Safety, Health and Wellbeing; and Audit and Risk.

The Board members are:



HON. PAUL SWAIN
QSO (CHAIR)
April 2016–present
Term ends 30 June 2021



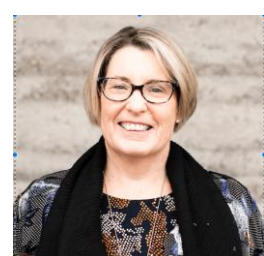
REBECCA KEOGHAN
MNZM (DEPUTY CHAIR)
June 2019 – present
Term ends 7 June 2022



TE AROHANUI COOK
April 2016–present
Term ends 30 June 2021



MALCOLM INGLIS
July 2018 – present
Term ends 30 June 2021



WENDIE HARVEY
July 2018 – present
Term Ends 30 June 2021

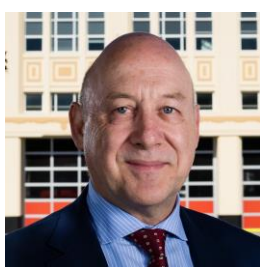


GWEN TEPANIA-PALMER
October 2019 – present
Term ends 9 September 2022

Our Executive Leadership Team

Tō Mātou Rōpū Whakahaere

The Executive Leadership Team is accountable to the Board, through the Chief Executive, for the leadership and management of Fire and Emergency.



RHYS JONES
CHIEF EXECUTIVE



KERRY GREGORY
NATIONAL COMMANDER /
DEPUTY CHIEF EXECUTIVE
Service Delivery



RAEWYN BLEAKLEY
DEPUTY CHIEF EXECUTIVE
Office of the Chief Executive



BRENDAN NALLY
DEPUTY CHIEF EXECUTIVE
People



RUSSELL WOOD
DEPUTY CHIEF EXECUTIVE
Organisational Strategy
and Capability
Development



DARRYL PURDY
DEPUTY CHIEF EXECUTIVE
Finance and Business
Operations

Our statutory functions

Ngā herenga ki te ture

Our statutory functions are set out in the Fire and Emergency New Zealand Act. They are divided into two principle categories shown below – main functions and additional functions.

Our emergency management functions

Main functions



Promoting fire safety



Providing fire prevention, response and suppression services



Stabilising or rendering safe incidents that involve hazardous substances



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



Rescuing people trapped because of transport accidents or other incidents



Providing urban search and rescue services

Additional functions

Assist with:



- medical emergencies
- maritime incidents
- weather events



- natural hazard events and disasters incidents



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



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



- rescues including line 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

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

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

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

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



How we carry out our functions

Me pēhea e tutuki ai

Our Strategic Framework

Our strategic framework sets out our purpose, vision and values. It was launched in October 2019.



Our purpose

Protecting and preserving lives, property and the environment

Our vision

Stronger communities protecting what matters

Our outcomes

Communities prepare for, respond to and recover well from emergencies

Our services are valued and trusted

Social, economic and environmental impacts from emergencies are minimised

Our strategic priorities

Building resilient communities

Collaboration, partnerships and influence

Growing our people

Intelligence-led, evidence-based decisions

Keeping pace with change

Our values



We do the right thing
Kia tika



We serve and support
Manaakitanga



We are better together
Whanaungatanga



We strive to improve
Auahatanga

Our operating principles

Put safety, health and wellbeing first

Value people

Champion inclusion

Strengthen communities

Work together

Drive change

Be accountable

Performance management framework

During 2019/20, we developed a new Performance Measurement Framework (PMF) which took effect in July 2020. It will help us track our progress towards the outcomes we seek to achieve for New Zealanders.

Operational capability

As noted above, we have about 14,000 firefighters operating out of 653 stations spread across the country. We respond to more than 23,000 fires a year ranging in size from a fire in a rubbish bin to major incidents, such as the New Zealand International Convention Centre fire at SkyCity and the Tasman fires, both in 2019. As the population grows, extreme weather conditions become more common and the way people live and work changes, we expect to have to be called to more large-scale events.

We are also responding to an increasing number of medical emergencies, motor vehicle accidents and hazardous substance-related events every year.

Response to large events

Fire and Emergency has a National Response Plan in place that is activated where there is an incident or event of sufficient scale, complexity or significance to warrant drawing resources from Fire and Emergency nationally, or from our international partners. We have a National Coordination Centre (NCC) located at National Headquarters. The NCC maintains situational awareness of emerging national or international events. Alongside the NCC, we have five Regional Coordination Centres and a number of Local Coordination Centres.

The coordination centres ensure the necessary resources, skills and support are available to manage emergencies, including drawing personnel from other parts of the country. Most recently, events such as the International Convention Centre Fire at SkyCity in Auckland, the Whakaari volcanic eruption and the Tasman wildfires have required this level of support.

Our coordination centres include external agency representation when required. At larger events, Fire and Emergency personnel are embedded in the National Crisis Management Centre and the National Emergency Management Agency (NEMA) Emergency Coordination Centres when these are stood up.

Domestically, all levels of Service Delivery currently follow the New Zealand Coordinated Incident Management System (CIMS) and can also integrate into other international incident management systems where required.

Training

Training of career and volunteer firefighters is critical to ensuring we can deliver on our current and future priorities.

In the last three years, we have run an average of 2,900 training courses annually across New Zealand, with more than 21,000 people attending. Much of this training also leads to Unit Standards, contributing to the skills of our workforce and New Zealand. Since the formation of Fire and Emergency we have significantly increased training for rural volunteers, helping to increase capability in that sector.

COVID-19 has had an impact on the delivery of training in 2020, as we have followed All-of-Government (AoG) advice and sought to minimise any risk to personnel. While taking this approach, we have ensured we maintain minimum standards so that we can respond to incidents. We are planning for any training that was deferred to be rescheduled as government guidance allows.

Risk reduction and communications strategy

Raising awareness and educating the public about risk and fire safety are crucial parts of our risk reduction and prevention strategy.

We run a range of risk reduction campaigns to increase awareness and drive behaviour change in target audiences. Our marketing strategies are based on fire incident data and insights from our quarterly tracker survey.

For the year ahead, smoke alarm and escape planning remain the top behaviour change priorities, as these aspects are relevant to all structure fires, regardless of the cause of the fire. That means they are likely to have the biggest impact on injury and fatalities.

Our other focus is vegetation risk reduction. While the number of injuries and fatalities due to vegetation fires is low, wildfires displace people and wildlife. The cost of wildfire in terms of property damage and commercial loss is significant and warrants investment in behaviour change to reduce the incidence of unwanted outdoor fires.



Aviation support

New Zealand's geography makes it necessary to use aviation to support our response activities. As we do not have our own aviation capability, we engage suppliers to provide this service on our behalf. The demand for aviation support services is increasing due to the potential for more and larger wildfires in New Zealand as a result of climate change, a growing rural–urban interface and peri-urban interface blocks with attendant risks, and the increase in plantation timber planting to meet government objectives. We are also increasingly using aircraft when responding to other emergencies such as remote motor vehicle accidents and hazardous substances events.

An Operational Service Specification and a set of Operational Supplements have been established to articulate the operational expectations and requirements of Aviation Services Suppliers and to reflect our legislative responsibilities and accountabilities as a PCBU (Person Conducting a Business or Undertaking) working in partnership with the general aviation industry, and our broader mandate.

We are in the process of implementing a system that will allow requests for aircraft deployments, and the coordination and management of aircraft deployments, to occur centrally. It will include a national tracking system which will allow instant, live and real-time tracking of all aircraft on the fire ground. Updated regularly, the tracking system will contain the latest information around aircraft type, availability, pilots and equipment available in a similar manner to a system already in place in Australia.

These modifications seek to increase safety, effectiveness, efficiency and provide logistical support in a nationally consistent manner.



Urban Search and Rescue

Fire and Emergency's Urban Search and Rescue (USAR) capability has been classified by the United Nations to undertake heavy urban search and rescue activities and has met the highest standards as set by the International Search and Rescue Advisory Group. Fire and Emergency's USAR function was scheduled for reclassification in May 2020; however, this has been delayed due to COVID-19.

USAR has a number of specialist capabilities that can be deployed nationally or internationally as a whole or as part of a specialist capability. Any international deployment for USAR operations must be invited, and agreed to, by the affected government. The Ministry of Foreign Affairs and Trade (MFAT) coordinates New Zealand AoG offers of assistance, and proposes these to the affected government through official political channels. USAR personnel can be deployed under a Memorandum of Understanding that we have with MFAT.

Fire and Emergency's USAR division is flexible and able to meet a host country and Government needs very quickly, across a wide range of events. Combined with the skills and capabilities of our partners in MFAT, Ministry of Health and NZDF, we can provide the fullest possible deployable capability as part of a New Zealand Joint Response Team.

USAR also provides logistical support for the New Zealand Medical Assistance Team. Most recently we deployed nine USAR personnel to Samoa to assist with the measles outbreak there in late 2019.

Compliance and enforcement

The Fire and Emergency New Zealand Act 2017 introduced compliance and enforcement powers for Fire and Emergency. These powers are supported by the Fire and Emergency New Zealand (Offences) Regulations, which came into force in November 2018.

As these powers are new to the organisation (and the former organisations that were amalgamated to form Fire and Emergency), a significant organisational culture change is required to enable the fair and consistent use of these powers as a tool to influence behaviour change in the interests of protecting lives, property and the environment. It is intended that the enforcement function will only be used when education and public engagement have not been able to achieve the required behaviour change, or when people demonstrate behaviours that are clearly high risk and reckless and there is a clear public interest in action being taken.

Currently, there is a manual process in place to assess possible breaches of legislation that may be deserving of enforcement action.

To date there have been two prosecutions taken under Fire and Emergency's legislation by the Police, and over 200 warnings issued directly by Fire and Emergency.

International capability/deployments

Fire and Emergency has capability to deploy internationally to assist with responses to wildfires, urban search and rescue and other emergencies. Fire and Emergency maintains a pool of suitably trained and qualified personnel who operate on a rotating roster to enable an appropriate and timely response when required. Trained personnel partake in annual national exercises as well as more frequent regional exercises to maintain currency.

International deployments are a great way to increase the knowledge, experience, currency and confidence of New Zealand firefighters and Urban Search and Rescue (USAR) personnel, support the international firefighting and USAR communities, and strengthen international relations. New Zealand firefighters are well respected, and their assistance is always appreciated by our international partners.

In the current COVID-19 environment we are liaising with the National Emergency Management Agency (NEMA) and the Ministry of Foreign Affairs and Trade (MFAT) about potential overseas deployments. We have also had discussions with NEMA, MFAT, the Ministry of Health and the New Zealand Defence Force about what would be required in the current environment, should we need support here from our international partners for any reason.

Wildfire deployments

Fire and Emergency has strong international relationships and agreements through the following agencies, which enable deployments to and from Australia, the United States (US) and Canada:

- Australian and New Zealand National Council for Fire and Emergency Services (AFAC)
- Canadian Interagency Forest Fire Centre
- US Department of the Interior
- US Department of Agriculture.

The 2019/20 Australian bushfire season was the most devastating in Australia's recorded history with 33 fatalities, more than 3000 homes lost, 17 million hectares of land burned and 1 billion animals killed. Through AFAC, Fire and Emergency sent 302 personnel to Australia to assist in the efforts to contain, control, and extinguish the bushfires. Our teams were made up of personnel from Fire and Emergency, the Department of Conservation, NZDF and forestry partners.

We have not deployed to the US or Canada in 2020. Australia and New Zealand (through AFAC) were approached in August 2020 by the US to determine if we had the capability/capacity to assist with their wildfire efforts. This request was withdrawn by the US due to changes in the conditions in North America.

Funding

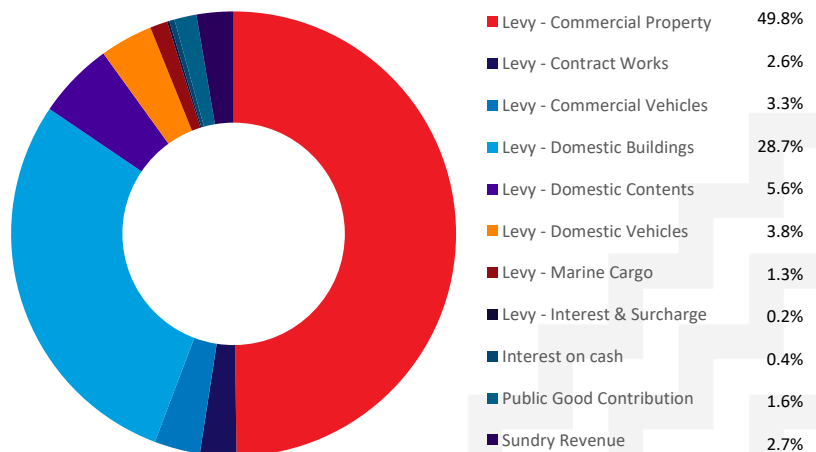
Te arotakenga pūtea

Fire and Emergency is mainly funded by the Fire and Emergency levy. The levy comes from insurance taken out on property that is insured against the risk of fire. The levy provides around 95 percent of funding for our operations. Other funding comes through the Department of Internal Affairs (DIA) for the public good element of the services provided (\$10 million) and other sundry income (around \$10 million).

The Fire and Emergency levy is payable by anyone who insures property against the risk of fire, e.g. when people insure their house or contents, a portion of that insurance bill goes to pay for Fire and Emergency. Responsibility for calculating and making payment of levy depends on how the insurance cover has been arranged:

- If a New Zealand-based insurer is involved in the policy, the levy is payable by the insurer.
- If a New Zealand-based broker is involved, the levy is payable by the broker.
- In all other circumstances, the levy is payable directly to Fire and Emergency by the insured.

Sources of Fire and Emergency revenue



The levy rate

The levy is payable on the sum insured and indemnity value of insurance contracts against the risk of fire when assets in New Zealand are covered. The levy rate is currently 10.6c per \$100 sum insured.

There are maximum limits on some items, meaning most households will pay approximately \$150 a year in levy:

- Residential houses – maximum of \$106
- Residential contents – maximum of \$21.20
- Motor vehicles (under 3.5 tonnes) – \$8.45 each

Financial performance

We have maintained our cash reserves above the minimum level to provide working capital and a small liquidity buffer, and fund one significant adverse event, such as the 2019 Tasman fires which cost \$13.5 million. This is particularly important because, as a Crown entity, we have very limited borrowing capacity.

In the 2019/20 financial year we received revenue of \$626.0 million and spent \$599.5 million, resulting in a net operating surplus of \$26.5 million. The value of our land and buildings increased by \$44.8 million giving us a total surplus of \$71.3 million. This increased total equity to \$1,132 billion, meaning we entered the current year, during which COVID-19 is affecting revenue, in a strong financial position.



Our people

Ngā tāngata

For a breakdown of personnel numbers refer to the graphic on page 7.

Career firefighters

Our 1,800 career firefighters predominately staff the metropolitan and larger provincial stations 24 hours a day. They generally work in crews of four and, while working night shifts, live on station. They are highly skilled and engage in a wide range of response and risk reduction activity. Because they are located in the major population centres, they provide our specialist capabilities across many areas such as USAR, aerial appliance operations and line rescue. Career crews attend 72 percent of structure fires and 80 percent of hazardous materials-related incidents.

Volunteerism

As previously noted, volunteers play an important role in Fire and Emergency, particularly outside our major cities.

One of our obligations under the Fire and Emergency New Zealand Act 2017 is to improve support for volunteers and enable them to communicate directly with Fire and Emergency New Zealand.

In July 2019, we released our Volunteerism Strategy (2019–2029). This strategy lays out our commitment to volunteerism and sets the direction for a multi-year work programme to strengthen organisational performance through improved volunteer support and enhanced workforce capability. The strategy is intended to drive a culture of volunteerism, make it easier to be a volunteer, and enable us to develop a more sustainable volunteering model.

In recent years, we have increased support for volunteers, and introduced new initiatives to attract, retain and recognise volunteers, their families and employers. The new initiatives include an annual payment of \$300 to all volunteers to recognise that they sometimes incur expenses as part of their activities for Fire and Emergency, and an allowance of \$50 per night to support the family/whānau of volunteers when they are away overnight for training.

Psychological wellbeing

Responding to emergencies is psychologically, as well as physically, demanding. Acute and post-traumatic psychological stress and illness from operational exposure to sudden death and serious injury, or from work pressures or overload, is a critical risk for Fire and Emergency. Managing this risk is an ongoing priority and in the past three years, we have expanded the support provided to our people to help them develop resilience and deal with high stress situations, both operationally and personally.

The services provided include free counselling, professional psychological support, a peer support programme, psychological wellbeing workshops, dedicated safety, health and wellbeing advisors, chaplaincy and tikanga Māori-based services. These services can be used for either personal or work-related matters. Free counselling is also available to immediate family members because we recognise that family members can also be affected by the trauma experienced by our people.

Over the three years to 2019, the number of self-referrals to our employee assistance providers grew from 197 to 638. This is an encouraging development, showing our attempts to destigmatise support seeking are having an effect. We expect numbers to continue to grow as awareness of the support available increases.

Considerable progress has been made, but there is still a great deal of work to be done to ensure that our risk controls are effective and our people are healthy and safe.

Diversity and inclusion

A more diverse workforce will enable us to work more effectively with our communities and to support their needs, mitigate risk and build resilience. Creating a diverse and highly skilled workforce is critical to ensuring we have the right people and organisational capability to operate in a strategic and agile way.

Our Pou Takawaenga Māori (Māori Liaison team) delivers marae-based tikanga Māori wananga and internal training for personnel at all levels of the organisation. It also delivers internal capability/capacity building and advises area managers on any concerns or issues raised by Māori communities in relation to Fire and Emergency.

The Women in Fire and Emergency New Zealand (WFENZ) network was formally established in 2016 to identify, support and develop the talent of our operational women. Currently women represent a very small proportion of our operational personnel. WFENZ is endorsed by senior management, and our unions and associations.

A Regional Women's Advisory Network (RWAN) has been established in each of our five regions. These RWANs are closely connected to our women on the ground, their regional leaders and our WFENZ team.

The Afi Pasefika firefighters' network started in 2003, after recognising the importance of reaching our Pasefika community within New Zealand. There are now over 80 Afi Pasefika members in Fire and Emergency.

Our recruitment campaigns actively encourage diversity. Our first recruits' course this year was our most diverse ever with seven women and nine recruits of non-European heritage among the 22 graduates.



Workplace culture

Firefighting has, historically, been a predominantly male activity. This combined with a command and control style of leadership has contributed to unacceptable behaviour all over the world. Unfortunately, New Zealand is no exception.

To address this, we commissioned retired judge Coral Shaw to carry out an independent review of our workplace policies, practices and procedures to address bullying and harassment in 2018. Judge Shaw made 33 recommendations. All have either been implemented, or are in the process of being implemented. Steps taken so far include:

- developing a set of values to form the basis of all behaviour-related policies, processes and support systems
- establishing a Behaviour and Conduct Office (BCO)
- developing a Code of Behaviour; and
- establishing a Respect and Inclusion Taskforce which is made up of a diverse group of our people, and is representative of all our personnel, network groups, and unions and associations, to champion positive culture change and support the implementation of our Respect and Inclusion Strategy and Positive Workplace Culture Programme.

Our values, launched in 2019, reflect what is important to our people and set out what we believe is core to who we are and the organisation we aspire to be. Our Code of Behaviour gives further meaning to our values by describing above the line (acceptable) and below the line (unacceptable) behaviour. Our Policy to address bullying, harassment and victimisation supports this by making it clear that unacceptable or unwelcome behaviour will not be tolerated, and provides all our people with the information they need to understand bullying, harassment and victimisation, how to prevent it, and how to report and resolve concerns.

The Behaviour and Conduct Office is the internal mechanism for providing support and resolving complaints about unwanted behaviour. All personnel and the public can get advice, support or raise a complaint via the BCO. We are currently identifying the different pathways available to personnel who are not satisfied with the decision made on their complaint or the process followed by the BCO, although paid staff, ultimately, have access to employment law mechanisms like the Employment Relations Authority.

Dispute Resolution Scheme

We are in the process of establishing a Dispute Resolution Scheme for volunteers and the public. The scheme, which is legislated for under the Fire and Emergency Act, will replace the interim Dispute Resolution Scheme which has been in place since Fire and Emergency was established in July 2017. The scheme will give the public and volunteers access to a fair process for disputing our actions and decisions.

An independent chair has been appointed to oversee the process for procuring administrative and practitioner services for the scheme.

Our assets

Te haumitanga matua

Fire and Emergency is a capital-intensive organisation. The value of the assets currently under management is about \$1.1 billion. Over the last three financial years, we have funded off our balance sheet between \$90 million and \$100 million of investment a year across four main classes of assets (property, fleet, plant and equipment, and ICT).

Notwithstanding this substantial annual investment, current and planned levels of capital expenditure may be insufficient to ensure the asset base is appropriately maintained and sustained to meet the needs of New Zealand communities. Factors contributing to this include:

- historic levels of investment that have not kept pace with current and future requirements
- the need to replace or rebuild multiple stations in Christchurch following the 2011 earthquakes; and
- the fitness for purpose of a number of assets inherited from former rural fire authorities.

These concerns relate primarily, but not exclusively, to property and fleet. Thirty-two percent of our appliances are beyond their target asset life (of 20 to 25 years) and 22 percent of our stations are more than 50 years old. The age of buildings does not necessarily determine their fitness for purpose, but the functionality of about 35 percent of our stations has been assessed as poor. Work is currently underway to fully assess and understand the extent of the current gap between budgeted capital expenditure and the level of investment that is indicatively needed to address historic under-investment and meet future requirements over the next 20 years.

Financial implications of COVID-19

The COVID-19 pandemic has affected the insurance industry and subsequently Fire and Emergency. During the first lockdown, information from a wide range of sources including Treasury, the Insurance Council and commercial property owners, was used to model the potential impact on levy revenue. This resulted in three scenarios – best-case with levy revenue dropping 2 percent, mid-case with levy revenue dropping 7 percent and worse-case with levy revenue dropping 13 percent.

Since June, our levy revenue has been aligned to the mid-case scenario, indicating reduced revenue of \$42 million this financial year. To manage this reduction in levy revenue, cost-saving measures have been implemented to ensure that we maintain sufficient cash reserves. The three key principles used to design the cost-saving measures were:

- minimising the impact on our capability to respond to emergencies
- protecting jobs; and
- identifying savings that are variable and reversible.

The degree to which the organisation can adhere to these principles will depend on the extent of the levy reduction. The cost-saving measures implemented include reducing operating expenditure in areas such as travel, non-operational training and projects.

In addition, we have also reduced our capital expenditure programme. As the reduction in levy revenue is higher than the reduction in operating expenditure, we are now anticipating a \$12 million deficit at year end rather than the forecast surplus.

Movement of levy revenue towards the worst-case scenario would necessitate a discussion with the Crown about operational response capability and financial sustainability. Funding support from the Crown is likely to be required if levy revenue deteriorates further.

Capital injection

When Fire and Emergency was established in 2017, it was recognised that significant work was needed to transition the 40 separate organisations into one unified fire and emergency service. Funding of \$112 million was made available to support this transition.

This repayable capital injection is applied for annually and must be approved by the Ministers of Internal Affairs and Finance. Three drawdowns have been provided so far:

- 2016/17 – \$25.96 million;
- 2017/18 – \$38.32 million; and
- 2018/19 – \$28.57 million.

The fourth drawdown of \$19.09 million for 2019/20 was delayed due to COVID-19, but was recently approved by the Ministers of Internal Affairs and Finance.

The capital injection will be repaid over a period of nine years. To date, \$34 million has been repaid and \$13 million per year will be repaid between June 2021 and June 2026.

Infrastructure Reference Group project – property capital injection

In July 2020, funding of \$51.3 million was approved for replacement and upgraded fire stations (26 projects) from the Government's funding for 'shovel-ready' infrastructure projects. A multi-year appropriation has been established with budget phased across this year and next and 2022/23 remains as the final year should there be any delays. This allowed us to accelerate work under our national Capital Works Programme, which is focused on making sure that our facilities are fit for purpose.



Partnerships

Te tapatahi o ngā ratonga

To play our part in building strong communities that are prepared to deal with emergencies and recover well from them, we need effective relationships with other agencies in the emergency sector and beyond.

Interdependencies between our work and other government and non-government agencies provide opportunities for joint work. For example, as part of our risk reduction work, other agencies consult us on building design and water access. We consult our partners on potential changes to the Fire and Emergency New Zealand Act and the standards we set and enforce.



Local Advisory Committees

Section 14 of the Fire and Emergency Act requires us to establish Local Advisory Committees (LACs) to provide independent advice to our Board. LACs will strengthen our connection with communities and their advice will inform our planning, and help us better support communities to reduce risk, prepare for and respond to emergencies, and recover quickly when they happen.

In May 2019, the Board established 16 LAC boundaries across Aotearoa. In June 2020, 49 committee members were appointed to our first seven committees in Northland, Tairāwhiti, Hawke's Bay, Marlborough, Chatham Islands, West Coast and Otago.

The committees held their first face-to-face meetings during September at which they developed work plans and stakeholder engagement plans. Wider LAC community engagement is expected to commence in early 2021.

A year-one evaluation is planned for mid-2021, which will inform the establishment of the remaining nine LACs.

Operational partnerships

Our operational partners include the Department of Conservation (DOC), NZDF, the New Zealand Forest Owners Association, the New Zealand Farm Forestry Association, St John and Wellington Free Ambulance.

DOC is the largest administrator of publicly owned New Zealand land and our Operational Service Agreement (OSA) with DOC covers areas such as fire cost recovery, DOC's ongoing financial contribution, fire notifications, training and the deployment of resources to support our work. Our OSA with NZDF provides for Defence support at large and complex incidents including internationally accredited USAR operations and international wildfire deployments. The Plantation Forestry Rural Fire Control Charter commits us to work closely with the New Zealand Forest Owners Association and New Zealand Farm Forestry Association to reduce unwanted fires and to protect and preserve life, prevent injury, and prevent or limit damage to property, land and the environment. In addition we help train forestry workers to fight fire and in return are able to call on their assistance when dealing with major incidents.

Our Memorandums of Understanding with both St John and Wellington Free Ambulance outline how we work with both ambulance services to provide early medical interventions such as CPR and defibrillation for cardiac arrest in the community. The geographical spread of our stations often means we are able to provide quicker treatment for life-threatening emergencies, then hand over to ambulance services. During the 2019/20 financial year, we responded to almost 14,000 medical incidents nationally.

Non-operational partners

We have agreements with a large number of government and sector organisations to promote good social outcomes and reduce the risk of fire. These include: the Ministry of Education, Department of Corrections, Kāinga Ora, Antarctica New Zealand, Maritime New Zealand, New Zealand Mines Rescue Service, Waka Kotahi (NZ Transport Agency), the Transport Accident Investigation Commission, Neighbourhood Support New Zealand, Airbnb New Zealand, New Zealand Red Cross, Victim Support, University of Canterbury and Air New Zealand.

Joint initiatives include programmes to: educate prison inmates about fire danger before release; explore the benefits of installing domestic sprinkler systems in social housing; contribute to building design research; and ensure USAR personnel and equipment are able to deploy domestically and internationally with a minimum of delay.

Public Safety Network

The Public Safety Network (PSN), a joint project involving Fire and Emergency, Police, St John and Wellington Free Ambulance, is undertaking procurement of a modern, nationwide, mission-critical communications capability for emergency services that will enable the sector to implement innovative ways of delivering their services. Currently, emergency services rely heavily on radio and mobile communications to coordinate, manage, protect and direct geographically dispersed staff and resources. These are voice-centric and radio networks, which need replacing as they are aging and not capable of meeting future operational needs. This new capability will replace the current aging communications infrastructure and be known as the Public Safety Network.

Secure, reliable communications methods are essential for us (alongside our partners) to enable us to respond to emergency situations and natural disasters. The PSN will enable emergency services agencies to further develop and enhance their service delivery and mobility strategies. The PSN will enable new ways of working. For example, telemedicine will allow patients to be treated in situ rather than transported to a health facility. Remote specialists will be able to support the frontline through video streaming to help diagnose patient conditions or identify hazardous substances. Our people on the frontline can expect to see a transition to the PSN capabilities as they become available and before the current radio networks are decommissioned in 2023.

Current matters

Te kaupapa o te wā

Below are short descriptions of topical matters that may be of interest to you. Further information about these or any other matters, including advice from Fire and Emergency to support discussions on new Government initiatives, can be provided at your request.

COVID-19 operational adjustments

The COVID-19 global pandemic increased pressure on our first responders and our priority has been to ensure the safety of our responders, their families and communities.

We are acutely aware of the risks our personnel face when responding to medical events. Our procedures are designed to minimise exposure and avoid becoming potential carriers of COVID-19 to others in the community.

As of the end of September, 73 potential exposures to COVID-19 had been reported by our people. To date none have contracted the virus through their Fire and Emergency duties.

To coordinate our national approach, we established a Service Delivery Coordination Centre (SDCC) when New Zealand first moved to Alert Level Four and embedded personnel in the AoG response structure. We chair both the Emergency Services Coordination Group and the subordinate Working Group. These groups provide a platform for multi-agency support, collaboration and scenario planning.

Climate change

Like the rest of the world, New Zealand is feeling the effects of climate change. Crown research institute Scion is forecasting a significant increase in the number of severe fire risk days in most parts of New Zealand within 20 years.²

A just-released report by the Ministry for the Environment³ warns of an increase in rainfall, as well as drought and wildfire risk, as temperatures rise. The report references two studies conducted in New Zealand that concluded that the warmer climate has increased the risk of extreme rainfall and, thus, floods and landslides.

Overseas, global warming is having a marked impact on fire risk. Wildfires are burning hotter and longer and doing more damage. This is reflected in the pattern of our overseas deployments. Between 2000 and July 2017 when Fire and Emergency was formed, about 660 New Zealand firefighters were deployed to Canada, the United States and Australia. In the past three years almost 620 firefighters have been deployed to the same three countries.

Here, the drier-than-usual soil moisture conditions referred to above on the east coast of the far North, the central North Island and the mid to lower central and east of the South Island have significantly increased the risk of major vegetation fires in the coming months.

Carcinogen control

International research shows that firefighters, fire investigators and training officers are at a higher risk of developing certain types of cancer compared to the general population. As an organisation, alongside our unions and associations, we are looking at ways to further reduce exposure to carcinogens. The steps taken include establishing a Carcinogen Control Project which has four principles: avoid the smoke; protect yourself; contain contaminants; get clean as soon as you can.

Across the organisation, measures taken to reduce risk include:

- investing in building facilities such as exhaust extraction mechanisms, dirty to clean zones at stations, increased laundry capability and extra showers
- introducing enhanced personal protective equipment (PPE)
- providing respiratory protection for situations when smoke can't be avoided
- educating our people about how to reduce the risk of exposure; and
- training personnel on techniques to reduce exposure.

In addition, we are continuing to gather evidence about cancer rates among New Zealand firefighters and looking at how we can best support firefighters with cancer and their families.

^[2] Scion Rural Fire Research Group (2011) 'Future fire danger', Rural Fire Research Update, (9), accessed 23 October 2020

^[3] Ministry for the Environment and Stats NZ (2020) Our atmosphere and climate 2020, Ministry for the Environment and Stats NZ, accessed 23 October 2020. <https://www.mfe.govt.nz/publications/environmental-reporting/our-atmosphere-and-climate-2020>

Medical response training

In 2014 the New Zealand Fire Service agreed to assist ambulance services by responding to more medical callouts. Our Memorandums of Understanding with St John and Wellington Free Ambulance have saved lives, but the psychological impact on personnel of having to deal with more deaths and grieving relatives was not fully understood when the change was made. The National Commander at the time apologised to personnel for that. A wide range of additional support is now available to our people. For details see the 'Psychological wellbeing' section (above).

In May 2020, St John wrote to Fire and Emergency advising that it faced a significant financial operating deficit for the 2021 financial year and, as a result, was implementing cost-saving measures. Included among these was halting the delivery of face-to-face Continuing Clinical Excellence training. This affects the training that Fire and Emergency first response brigades previously received one day every six months from St John.

St John has indicated it intends to resume this training in the 2021/22 financial year. We are working with St John and our unions and associations to identify adequate interim training options for our first response brigades.

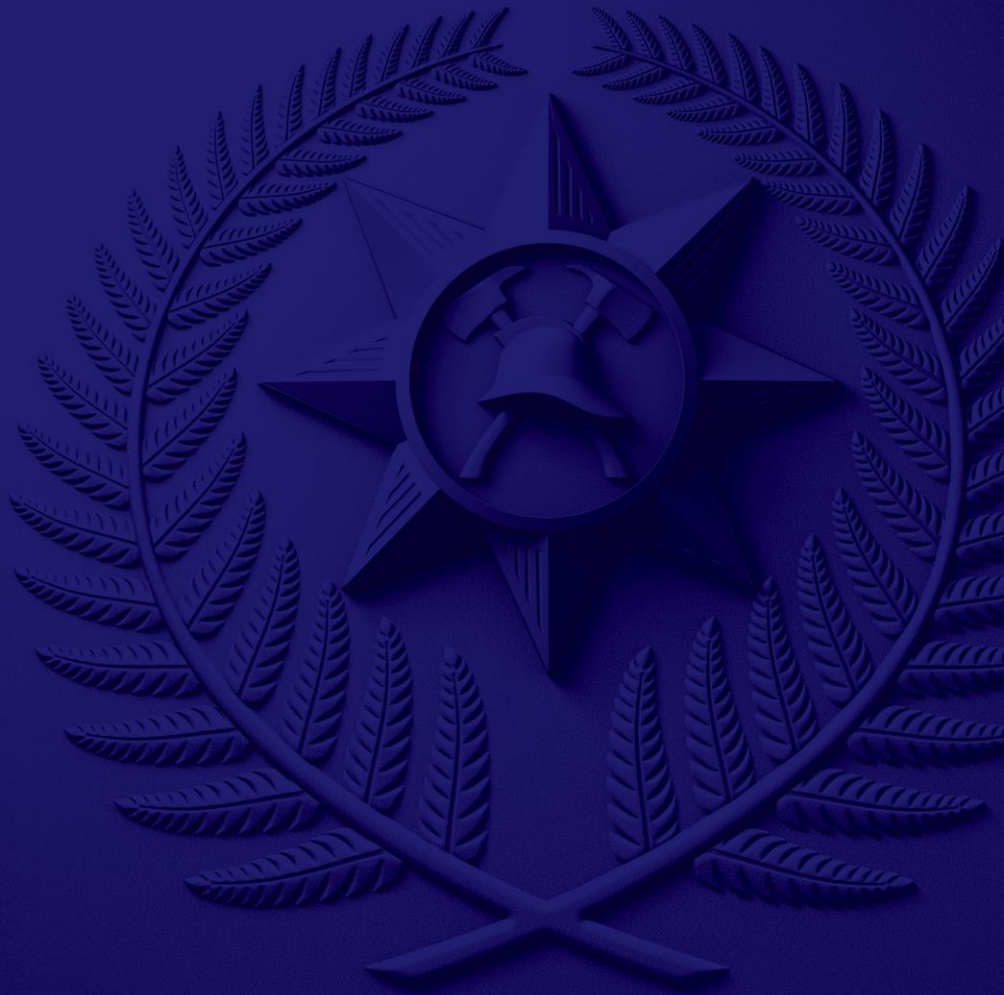




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