

FOR IMMEDIATE RELEASE

30 April 2021

Insurance based FENZ funding a flawed model

“The Government had the opportunity to revolutionise the current insurance-based funding model for Fire and Emergency New Zealand (FENZ) but have instead chosen to merely tweak the levy system, maintaining a model that by their own admission has “inherent drawbacks”,” says Leonie Freeman, Chief Executive at Property Council New Zealand.

“Tweaking the levy system won’t address the core issue, says Freeman.

“The insurance-based model is inequitable, inefficient, and unsustainable in the long term and while details of further refinement are yet to be revealed, it is difficult to see how the fundamentals will change.

“An insurance-based levy means those who do not insure, do not contribute to Fire and Emergency services, despite receiving the benefits of those services.

“The model should be evidently fair – namely, identifying and charging beneficiaries based on the cost or risks they impose on Fire and Emergency services. For example, high-risk users and sectors like forestry are not charged for the service as they predominantly do not insure.

“The levy review and impending implementation comes at a time when multiple major reforms and COVID-19 realities will cross developers’ paths, leaving a wake of increased costs. Increases in local business rates, shifts in development contribution policies, and upwards pressure of construction material costs due to border delays all contribute to the cost of development, and therefore the cost of property.

“If the Government is intent on building our way out of a COVID slump, then now is the time to enable the development community to address housing and infrastructure deficits fuelled by population growth, not stifle them”, says Freeman.

“We welcome the opportunity to further engage with the Minister as it is not too late to fundamentally shift away from such a flawed model.”

ENDS

For more information please contact:

Kelly Taylor | Head of Communications | 021 5757 02 | kelly@propertynz.co.nz

NOTES TO THE EDITOR

About Property Council New Zealand

Property Council New Zealand is the leading advocate for New Zealand's most significant industry - property.

A not-for-profit organisation, the Property Council connects more than 15,000 property professionals, championing the interests of over 600 member companies who have a collective \$50 billion investment in New Zealand property.

Our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our 80+ Property Council events, which offer professional development, exceptional networking and access to industry-leading research.

Property Council acts as a collective voice, giving our members a seat at the table with policy makers, ensuring they make informed decisions that benefit our industry whilst enabling a strong economy and thriving communities.

www.propertynz.co.nz