

## Submission to the DEPARTMENT OF INTERNAL AFFAIRS on

# “PROPOSALS FOR FIRE AND EMERGENCY NZ REGULATIONS – TRANSITIONAL LEVY RELIEF AND CALCULATION OF LEVY ON INSURANCE COVERING DIFFERENT POLICY TYPES” (APRIL 2017)

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## INTRODUCTION

1. Straterra<sup>1</sup> welcomes the opportunity to submit on the Department of Internal Affairs discussion document<sup>2</sup> of March 2017, proposing ways of funding the new, amalgamated fire and emergency services.
2. We do so in the interests of fair, reasonable and equitable treatment of the NZ mining and quarry industries. The submission deadline of 19 April is noted.
3. Straterra supports the BusinessNZ, OceanaGold, and Mines Rescue Trust submissions in their entirety. We refer to our earlier submissions concerning the proposed Fire and Emergency NZ.
4. Straterra wishes to continue engaging with DIA officials on the issue of a FENZ levy regime and rates.

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<sup>1</sup> Straterra represents NZ minerals production, exploration, research, services, and support  
<http://www.straterra.co.nz/>

<sup>2</sup> [https://www.dia.govt.nz/diawebsite.nsf/Files/Fire-Emergency-NZ-Regs-Levy-Consultation/\\$file/FENZ-Levy-Regs-Discussion-Document.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Fire-Emergency-NZ-Regs-Levy-Consultation/$file/FENZ-Levy-Regs-Discussion-Document.pdf)

## EXECUTIVE SUMMARY

5. Straterra has the following major concerns with the discussion document's proposals, as far as the NZ mining and quarry industries are concerned:
  - No account has been taken of mining companies already paying a levy to the Mines Rescue Trust, including for services that FENZ will provide, despite earlier submissions from Straterra and others drawing attention to this issue of regulatory duplication;
  - Little or no account has been taken of property insurance held by mining and quarry companies on high-value assets, typically infrastructure, that pose little or no risk of fire or emergency;
  - Little or no account has been taken of mining or quarry companies having in-house industrial brigades that provide all or many of the fire and emergency response services that FENZ would provide, including first and second response;
  - Mining and quarry companies already bear responsibilities in relation to fire and emergencies under the Health and Safety at Work Act 2015; and
  - There is no material difference between tunnels and dams for civil infrastructure or for mining or quarry operations; therefore, the exemption applying to the former should apply also to the latter.
6. The approach taken to the levy regime to date is, therefore, deeply flawed because it fails to meet the principles set out in the FENZ Bill of being "equitable" and "flexible".
7. In industry's view, there is a strong argument to retain the exemption from paying a levy on mining and quarrying companies - to calculate levies on this sector that are fair and reasonable, given the circumstances listed above, would be a very challenging if not impossible task.

## RECOMMENDATIONS

8. Straterra recommends the Department of Internal Affairs to:
  - a) Note Straterra's concerns with the discussion document, as presented in the executive summary, above;
  - b) Agree that the proposals in the DD fail to meet the principles set out in the FENZ Bill of "equitability" and "flexibility" as regards the levy regime and rates; and
  - c) Agree to retain the exemption from levies on mines and quarries, as fair, equitable and reasonable in the circumstances.