# Government policy – treatment of assets

## New Zealand’s current fire services own assets, such as fire trucks

New Zealand’s urban and rural fire services own assets, such as fire engines, breathing apparatus, or buildings that house the workforce or firefighting equipment.

## On 1 July 2017 Fire and Emergency New Zealand will be set up

New Zealand’s urban and rural fire services will be amalgamated on 1 July 2017 into a single, unified fire services organisation that delivers both rural and urban fire services.

Fire and Emergency New Zealand will bring together more than 40 separate organisations, over 600 fire forces and brigades, more than 12,000 volunteers, and approximately 3000 paid staff into a single new organisation.

## New legislation will determine how assets are treated

The legislation to set up the new organisation, the Fire and Emergency New Zealand Bill, was introduced into the House of Representatives in June 2016.

The Bill will make the assets (land, buildings, fire engines, fire equipment etc.) of current fire services available to Fire and Emergency New Zealand to use to perform its fire and emergency functions.

If and how the asset is transferred to the new organisation will be determined using a principle-based approach and in collaboration with the owner of the asset within one year. The process will be concluded within approximately four years.

## Firefighting assets will be available for Fire and Emergency New Zealand

Merging into one organisation means the current 40-plus fire services organisations need to make their assets (land, buildings, fire engines, firefighting equipment, and so on) available for Fire and Emergency New Zealand to perform its mandated fire and emergency functions.

The legislation will make these assets available to Fire and Emergency New Zealand to use from its first day of operations, 1 July 2017.

## Principled approach will be taken to transfer of assets

Fire and Emergency New Zealand will take a principled approach, and will work collaboratively with asset owners to work thoughtfully through the transition period for the treatment of assets that are owned, leased or licenced.

This will involve working in good faith with asset owners and communities to apply a feasible, sensible and defendable process to the treatment of assets.

Given the multiple entities that currently own, lease or licence assets, vesting assets has both financial and legal implications that require time to work through with the asset owners.

The treatment of assets may vary depending on the asset and the preferences of the asset owner. For some this may involve vesting, others may seek to hold the asset until it is fully depreciated.

Cabinet has agreed that a set of generic tax provisions should be developed that ensures that the reforms of the fire services are carried out in a tax neutral manner.

There is more information about the treatment of assets in the Cabinet paper *Fire Services Review: Detailed Policy Design* on the DIA website [www.dia.govt.nz/Fire-Services-Transition](https://www.dia.govt.nz/Fire-Services-Transition)

## Principle of keeping assets in the community that provided them

Assets obtained by fundraising or community donations would remain in use in that community. Those assets should continue to be used in that community/region using the philosophy that assets obtained for a community should be retained by the community.

## Assets not needed for fire and emergency services are not affected

There is no intention for Fire and Emergency New Zealand to seek ownership of assets that are not required for its mandated functions, such as fire memorabilia, or holiday homes.

Asset transfer does not affect assets owned by forest owners (and used by Rural Fire Authorities) and Industry Brigades. Access to these assets would operate much like it does today, by agreement.