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**FENZ Proposed Fire Levy Setting for 2026-2029 Submission**

In the last six years, annual funding for FENZ rose by $223m, and last year, FENZ gained Government approval for a further 12.8% increase in the Fire and Emergency Transitional Levy from 1st July 2024. In early April 2024, FENZ released a consultation document outlining the Fire and Emergency Levy 2026 2029 settings. In that document, FENZ is proposing a further 5.2% increase in the fire levy from July 2026.

A concerning element of this further levy increase is the annualized forecast cost of $250.3 million for vegetation fire response as a portion of a total cost of $890 million. Both figures need to be challenged. The 2016 Martin Jenkins review report shows the cost of rural fire services for a three-year “normalised” annual operating costs (direct and in-kind costs) for Enlarged Rural Fire Districts, Rural Fire Authorities, and forestry companies before 2016 was $35 million. This is comparable to the findings in the BERL study commissioned by the National Rural Fire Authority in 2009 to study the economic costs of wildfires in New Zealand.

The FENZ Fire Levy Consultation Document appears to raise more questions than provides answers. Under the FENZ’s watch, we have seen the annual average losses for forestry plantations from wildfires 1985-2023 (6 yrs average) double from 590 Hectares to 1,160 hectares in just six years, along with large wildfires in Public Crown Land and elsewhere, increasing in both frequency and severity. The cost of fighting wildfires is now three times greater than when FENZ was formed.

For this reason, an independent investigation into the increasing losses of rural landscapes due to wildfires and the rising costs of rural fire suppression, along with investigating the performance of FENZ, is required and must be independent. To be effective, this review must precede rather than follow consideration of any increase in tax on fire insurance policies that fund FENZ.

We fully support the position and concerns outlined in the NZ Institute of Forestry submission on the proposed settings on the Fire and Emergency levy for 2026—2029.

Yours sincerely