**SUBMISSION**

To

Ministry of Business, Innovation and Employment

From



On

**Building Act Emergency Management Consultation – July 2015**

**17 July 2015**



Posted to Building Act Emergency Management Consultation, Ministry of Business, Innovation and Employment, PO Box 1473, Wellington 6140

Emailed to: buildingactemergencymanagement@mbie.govt.nz

**ICNZ submission on the Building Act Emergency Management Consultation – July 2015**

Thank you for the opportunity to submit on the Building Act Emergency Management Consultation document.

1. We provide this submission on behalf of our members, though we understand many will also be providing their own submission directly to you.
2. We have structured our submission into the following main parts:
	* First, we describe who Insurance Council of New Zealand represents and what their interests are in the Consultation Document.
	* An outline of some of the concerns that the Insurance Council Members experienced following the Canterbury Earthquakes and how they could be addresses in future legislation. This is important as it provides information that the Consultation Document questions & answers do not address.
	* Answers and examples to the questions contained in the Consultation Document
3. If you have any questions please contact us directly. Our contact details are at the bottom of this submission.

**About us and our interests in the Consultation Document**

1. ICNZ represents the interests of the fire and general insurance industry in New Zealand. Our 28 members insure over $600 billion worth of New Zealand assets and liabilities.
2. The Insurance Council’s members pay property damage claims that allow New Zealanders to recover from a Natural Disaster. As at the end of June 2015 Insurance Council members had paid over $15 billion in property claims for the rebuild of Canterbury.
3. The Insurance Council wants to be very clear about the context of this submission. It fully supports the extraordinary rescue efforts in the aftermath of the 22 February 2011 earthquake. This submission addresses decisions that were made outside of efforts to save lives or retrieve the casualties of that event. Further, we acknowledge that when decisions are made by people using emergency powers in circumstances they have never encountered before that decision-makers may be unaware of the unintended consequences of their actions. This submission therefore is made in the spirit of informing, so collectively New Zealand can respond better should similar events occur in future.
4. The Insurance Council observed during the Canterbury earthquake recovery many cases where insurers’ normal rights and interests to determine the extent of material damage to buildings were not allowed to prevail due to actions by those exercising emergency powers. This resulted in needless economic loss, uncertainties and delays. There were also opportunities to exercise powers available to recovery authorities to remove roadblocks to recovery that were not exercised which also contributed to uncertainties and delays.
5. It’s important that New Zealand’s legislative environment in dealing with national emergencies is transparent and fair as this provides the necessary confidence for reinsurers to invest financial capacity to our insurance market. Without the reinsurers’ financial capacity, Canterbury would not have recovered well from the 2010/2011 earthquakes.

**Buildings Demolished without Insurers Knowledge**

1. Commercial buildings that had suffered damage from the 22nd February 2011 earthquake were demolished under order of the recovery authorities. In some cases, it was alleged that building owners may have given permission to authorities to allow a building to be demolished. In other cases, it was understood that the building owner was unaware of the decision. This all occurred soon after the 22nd February 2011 earthquake event but prior to the establishment of CERA in April 2011.
2. A number of insurers found that they had been prejudiced by these decisions as insured buildings were demolished without the opportunity to assess the building damage. This meant buildings that were demolished could have been repaired, but all evidence crucial to a claim settlement was destroyed. This situation makes it very difficult for insurers to justify to their reinsurers to pay the claim as there was insufficient claims evidence.
3. It is mistake to think that the building owner is the only party affected when an insurer cannot pay a claim or a claim becomes frustrated due to evidence being destroyed. In most cases, there will be a financial effect on the mortgage lender and ultimately the tenants and the local community that benefited from the building’s amenity value.
4. The Insurance Council was informed by its members that there were not just one or two isolated cases of a building being demolished without the insurer’s knowledge. There were many and a number of these claims are still in dispute now four years after the event.
5. Another consequence of buildings being demolished without the insurer’s knowledge is that other property not directly owned by the building owner, such as the tenants commercial fit out, stock and contents is also destroyed. In one case we are aware of the combined insured value of the tenants fit out exceeded the insured value of the building.

**Insurers Faced Access Delays to Inspect Damaged Buildings**

1. It took significant time for insurers and their engineers to be allowed access to damaged buildings in the Christchurch CBD cordon. While we are well aware of the safety issues that existed at the time, authorities made decisions about the demolition without insurers being able to verify and or agree with those decisions as they were not granted access to those buildings.
2. The Insurance Council recommends that any future legislative controls on emergency response whether under Civil Defence and Emergency Management or the Building Acts would include a protocol requiring that insurers and their engineering experts be able to have direct input to decisions about the fate of buildings and have access to damaged buildings much earlier on than was experienced in Canterbury.
3. Such a protocol would reduce the risks of claims disputes and unrecoverable financial losses as well as facilitate speedier recovery and remove critical grounds for dispute which inevitably delay settlement.

**Power to Refuse Building Consents for Repairs**

1. Another significant issue that affected insurers and property owners was the Canterbury Earthquake Recovery Authority (CERA) CBD blue print “Land Designation Zone” that was administered by the Christchurch Central Development Unit (CCDU). The CCDU had the power to prevent building owners and their insurers from repairing buildings that were located in the “Land Designation Zone” and instead many repairable buildings were at risk of facing demolition that would have resulted in a total economic loss for the insurers and building owners. The red zoning of the CBD, which remained cordoned off for more than two years, was one of the many reasons behind the delays to commercial reconstruction.
2. The CCDU advised that the Minister for the Canterbury Earthquake Recovery had the power to refuse a building consent to repair a building that sat in the “Land Designation Zone”. Without a building consent many repairs could not be legally undertaken. Insurers had to spend considerable sums, sometimes many hundreds of thousands of dollars on engineering reports just to get to a building consent application stage with no certainty that the building consent would not be refused by the Minister (the CCDU).
3. The effect of the Minister being able to refuse a building consent effectively removed the building owners existing “use rights” that are set out in the original district plan. Existing use rights would normally allow like for like repairs to proceed. This change created by the Land Designation Zone ended up causing much uncertainly for insurers and building owners and would have delayed many claims being settled. Building owners in many cases would not have been able to recover the full insured replacement sums from their insurers as many insurance contracts required the building owner to replace the building as a condition of the full sum insured being paid.
4. The Insurance Council knows of a number of instances where insurers dealing with damaged buildings that were economically repairable had repair plans well advanced, then learned that CERA had compulsorily acquired the land and required the building to be demolished. Significant time and expense had been lost in scoping repairs, letting tenders and seeking consent applications. Building owners too suffered considerable stress and anxiety as they were aware that their insurance policy contracts in many cases only pay the repair costs and exclude losses resulting from decisions of civil authorities.
5. The Insurance Council obtained legal advice on behalf of its members that confirmed that the powers of the Minister in relation to refusing building consents was unclear and possibly conflicted with some of the provisions of the Resource Management Act. Much greater clarity is needed for future events.
6. The Insurance Council is of the opinion that any special powers to aid recovery following a significant disaster needs to be cognisant of insurance contracts and RMA provisions.

**Select Committee to scrutinize the use of Special powers**

1. It is also possible for institutions not to use their emergency powers to facilitate recovery. The Insurance Council believes government could have used its powers to facilitate recovery efforts with respect to multi-unit residential buildings on cross-lease titles in Christchurch. These properties are complex settlements involving a number of different insurers including in some cases uninsured owners as well as a mix of under and over cap EQC claims. Legislation requires agreement of all property owners in a multi-unit building to agree on all aspects of reinstatement. Insurers made representations to CERA for changes to be made to enable, for instance, 75% agreement among building-owners to proceed with decisions, so progress could be made quicker. This did not occur.
2. The Insurance Council believes when powers are vested in a public organisation to aid a recovery from an extraordinary disaster that it be accountable to Parliament for the use of those powers. While such organisations may be scrutinised by a select committee, it would be useful if that were extended to seek wider comment from others as to how those powers are being used.

**Summary**

The Insurance Council recommends that controls under the Building Act Emergency Management Proposals in future national emergencies consider the following:

1. a protocol requiring insurers be given priority to have access to decision makers about the fate of buildings
2. allow insurers early access to damaged buildings
3. clarify in the legislation the powers of civil authorities to change land use designations and order the destruction of property
4. that a parliamentary select committee review the use of any special powers vested in a public organisation by seeking input from all stakeholders.

 The Insurance Council believes that it was important to provide some detail on the issues that faced insurers during the Canterbury Earthquake event and how those issues negatively affected the recovery.

**Answers and examples to the questions contained in the Consultation Document:**

**Building Act Emergency Management Proposals Proposals and Questions Feedback Form**

**Feedback form completed by: Insurance Council of New Zealand**

**Email Address: icnz@icnz.org.nz**

**Are you responding as an individual or on behalf of an organisation (please circle one)**

1. Individual
2. Organisation
3. If b), which organisation do you represent?

**Date 17 July 2015**

**Publication of submissions, the Official Information Act and the Privacy Act** MBIE intends to publish a summary of submissions on its website. **MBIE** will not publish the content of your submission.

However, your submission will be subject to the Official Information Act 1982 and may therefore be released in part or full, if requested. The Privacy Act 1993 also applies. When making your submission, please state if you have any objections to the release of any information contained in your submission. If so, please identify which parts of your submission you request to be withheld and the grounds under the Official Information Act for doing so (e.g. that it would be likely to unfairly prejudice the commercial position of the person providing the information).

For guidance on the Official Information Act, refer to [www.ombudsman.parliament.nz/resources-and-pu](http://www.ombudsman.parliament.nz/resources-and-pu)blications/guides/officiaI-information­legislation-guides

**What happens next?**

After the consultation period finishes, MBIE will analyse feedback and submissions and report back to the Government. The Government will then make decisions on policy proposals for a building emergency management system.

If adopted, the proposals will require legislative change to the Building Act 2004, this would provide further opportunity for public input through the select committee process. Depending on other legislative priorities, changes could be introduced in 2015 or 2016.

**Contacts**

For further information please email buildingactemergencymanagement@mbie.govt.nz

**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

Using the Building Act emergency management powers

(Consultation document pages 14 to 16)

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| **Proposal 1—A Civil Defence Controller may decide whether to use Building Act emergency management powers.**During a state of emergency declared under the CDEM Act, a controller appointed underThat Act may decide whether to use Building Act emergency management powers.The controller must give consideration to the following factors:1. significance of the scale of the damaging events
2. reasonably foreseeable likelihood of further related damaging events which could pose risks to life-safety
3. distance and direction of the damaging event or hazard, or possible events or hazards, and impacts in relation to buildings in built-up areas
4. observed scale of structural damage to buildings
5. information available about building and ground conditions
6. need for shelter in residential buildings
7. likely scale of structural damage to buildings
8. likely scale and risk to life-safety from buildings
9. advice and information from relevant territorial authorities, suitably qualified persons, and relevant government agencies
10. credible discoveries or disclosures about risks from buildings
11. The territorial authority's ability to manage risks adequately without building emergency management powers.

The building emergency powers are divided into those that can be renewed for up to one year and those that are available for up to three years after the state of emergency has ended. Every 28 days after the end of the state of emergency, the territorial authority mustDecide whether to continue using those powers that can be renewed for up to one year. |

**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

1. Are the considerations that must be taken into account appropriate? Why / Why not?

The Insurance Council recommends adding the requirement to take advice and receive information from the insurer of the building. This is because in the Canterbury earthquake situation decisions were made that added to economic loss, complicated the insurance response and delayed recovery.

1. Is 1 year an adequate length of time for the powers that enable territorial authorities to make initial building assessments and take action to reduce or remove more immediate risk? If not, what length of time would be more appropriate and why?

The Insurance Council would consider 1 year to be an adequate length of time.

1. Is 3 years an adequate length of time for the remaining powers to stay in force? If not, what length of time would be more appropriate and why?

Depending on the nature and severity of the event and the resources available to respond, 3 years could be an adequate maximum length of time for remaining powers to stay in force. However, 3 years would reflect a most extraordinary event, so we would recommend a new requirement to review annually whether such powers should remain.

1. Is the requirement to review the proposed 1 year powers every 28 days appropriate? Why / Why not?

Yes, we believe it is. The Insurance Council believes it is important that property owners and their insurers are able to make open representations to Civil Defence Controllers and Territorial Authorities concerning the need for ongoing Building Act Emergency Management Powers. Emergency management powers may affect the insurers’ ability to settle claims in a timely and reasonable manner.

1. Is it appropriate to link the building emergency powers to a state of emergency? Why /Why not?

Yes, we believe so. As a state of emergency signifies that a significant event has occurred that could affect life and property safety, we believe that building emergency powers may better cater for the specific needs of the affected community.

6. Are there situations when a state of emergency has not been declared when the building emergency management powers should be made available? Please provide examples.

Yes. For example, when a moderate earthquake not causing obvious damage to commercial buildings but there needs to be a safety inspection regime to quickly confirm that buildings are safe to enter.

Powers to assess buildings and restrict access

(Consultation document pages 17 to 20)

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| **Proposal 2: Territorial authorities have powers to do assessments and place placards.**Territorial authorities have powers to do, or authorize, assessments during a state of emergency and up to one year after the state of emergency has ended. The power is reviewed every 28 days for up to 1 year after the state of emergency has been terminated.Territorial authorities may place placards as a result of the assessment which will state the restrictions and requirements imposed on the buildings. Placards will be valid for three years after the state of emergency has been terminated. |
| **Proposal 3: power to assess further and change placards.**Territorial authorities may require further assessments and change placards placed as a result of any previous assessments. Territorial authorities may undertake these assessments if necessary. The power is available for up to 3 years after the state of emergency has terminated. |
| **Proposal 4: Territorial authorities have powers to restrict access including placing cordons and other protective measures (up to 3 years).**Territorial authorities can restrict access based on assessments up to three years after the state of emergency has been lifted. The placards placed on the building will state the restrictions and requirements imposed. |

**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

1. Should territorial authorities have the powers to continue to assess buildings and place placards for up to one year after the state of emergency has ended? Why / Why not?

 The Insurance Council believes this provision should be available, however it would be expected that within 1 year of an event occurring assessments would be completed. However, as with Canterbury there could be successive events that need to be monitored.

1. Should territorial authorities be able to restrict access to buildings on the basis of an assessment? Why / Why not?

Yes, they should so long as the assessments are carried out by an appropriately qualified assessor, such as an engineer, who is supplied with reasonable information about the particular building (plans or construction details needed to adequately assess damage to the building that would present a life safety risk).

1. Do you agree with the Royal Commission prioritization of further assessments as outlined in Figure 4 (on page 19) of the Consultation document? Do you consider an alternative model could be used, and if so what is it?

 Yes we do, so long as the assessor making the call on placards, especially on buildings suffering damage from an earthquake, is appropriately qualified and experienced.

Removing immediate dangers (Consultation document pages 21 to24)

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| **Proposal 5: Resource or building consents will not be required to remove significant or immediate dangers.**A territorial authority will not require resource consent or building consent where urgent work is required to reduce or remove significant and immediate dangers for up to one year after the state of emergency has ended.After issuing a warrant to remove significant and immediate dangers, Territorial Authorities may begin, or require work to begin, immediately. |
| **Proposal 6: Heritage values will be taken into account where possible when removing significant or immediate dangers.**Territorial authorities should seek to preserve heritage values where possible.Before issuing a warrant to undertake work to remove significant and urgent dangers, a territorial authority must:* Obtain the approval of the Minister for Building and Housing, in consultation with the Minister for Arts, Culture and Heritage, for any buildings listed in district plans that are **National Historic Landmarks, or Category 1 Historic Places.**
* Give at least 24 hours' notice (where possible) to Heritage New Zealand Pouhere Taonga, and have particular regard to its advice in respect of heritage buildings individually listed in district plans, and buildings that are subject to a heritage order or covenant.
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**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

1. Should territorial authorities be able to do building work to remove immediate life-safety risks without the requirement for a resource or building consent? Why / Why not?

Yes, they should. This will allow life safety risk hazards to be dealt with quicker and prevent prolonged effects to neighboring properties in the form of cordons as was experienced in Canterbury. Cordons in the Christchurch CBD area were prolonged, possibly due to consenting issues which resulted in greater disruption to local business.

1. Is it appropriate to have Ministerial approval before undertaking work on any buildings listed in district plans that are National Historic Landmarks, or Category 1 Historic Places? Why / Why not?

If buildings are National Historic landmarks by definition, decisions that could lead to their demolition are not solely for territorial authorities to make. To that extent Ministerial approval should be required, but those discussions should be required to be made within a defined period of time and those decisions should be open to appeal.

1. Is it appropriate for territorial authorities to give at least 24 hours’ notice (where possible) to heritage New Zealand Pouhere Taonga (HNZPT), and have particular regard to its advice when considering actions on heritage buildings that are listed on district plans and/or subject to a heritage order or covenant/ Why/Why not?

Yes, because it is important for expert advice to be given to local authorities when considering actions on heritage buildings.

Removing dangers causing significant disruption (Consultation document pages 25 to 27)

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| **Proposal 7: Resource or building consents will not be required to remove dangers causing significant economic disruption.**Territorial authorities will not require resource or building consents when reducing or removing dangers causing significant economic disruption for up to 1 year.Before issuing a warrant to undertake or require work to remove dangers causing significant economic disruption:* The territorial authority must take reasonable steps to give notice to owners and tenants of the building, and owners and tenants of properties whose access is affected by the building.
* The parties will have the right to apply to the chief executive of MBIE for a determination where they dispute the issuing of the warrant.
* After issuing the warrant, the territorial authority must not commence the work for 48 hours (providing further opportunity for parties that dispute the warrant to seek a determination).
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| **Proposal 8: Heritage values will be taken into account where possible when removing danger causing significant economic disruption**Territorial authorities should seek to preserve heritage values where possible.Before issuing a warrant to undertake work to remove significant and urgent dangers, a territorial authority must:* Obtain the approval of the Minister for Building and Housing, in consultation with the Minister for Arts, Culture and Heritage, for any buildings listed in district plans that are **National Historic Landmarks, or Category 1 Historic Places.**
* Have particular regard to advice from Heritage New Zealand Pouhere Taonga (HNZPT) for any other heritage buildings listed in district plans, and buildings that are subject to a heritage order or covenant. HNZPT will be allowed at least two weeks to provide their advice.
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**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

1. Should territorial authorities be able to remove dangers causing significant economic disruption without requiring resource or building consents? Why /Why not?

Yes, they should. Getting a local economy back to where it was prior to an emergency event taking place is paramount. However, it is equally important for the territorial authority to take reasonable steps to give notice also to insurers and banks who have a direct economic interest in the affected building.

1. Is it appropriate to have Ministerial approval before undertaking work to remove dangers causing significant economic disruption on any buildings listed in district plans that are National Historic Landmarks, or Category 1 Historic Places? Why / Why not?

If buildings are National Historic landmarks by definition decisions that could lead to their demolition are not solely for territorial authorities to make. To that extent Ministerial approval should be required, but those discussions should be required to be made within a defined period of time and those decisions should be open to appeal.

15. Is it appropriate for Heritage New Zealand Pouhere Taonga (HNZPT) to have at least two weeks to provide advice to territorial authorities on removing dangers causing significant economic disruption on any other heritage buildings listed in district plans and/or subject to a heritage order or covenant Why / Why not?

Yes, because it is important for expert advice to be given to local authorities when considering actions on heritage buildings.

1. Should territorial authorities have particular regard to the advice of HNZPT? Why / Why not?

Yes, because it is important for expert advice to be given to local authorities when considering actions on heritage buildings.

Removing danger in other situations (Consultation document pages 28 to 29)

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| **Proposal 9: Power to remove danger in other situations**Territorial authorities can undertake or require work to reduce or remove dangers in situations where danger to people is being managed temporarily (e.g. by cordons) and is not significantly disrupting other properties, for up to three years after the state of emergency has ended.This power requires territorial authorities to use the normal resource and building consent processes under the Resource Management Act 1991 and the Building Act 2004. |

**To help ensure your feedback is understood, when answering the questions please provide evidence and/or examples for your response where possible.**

1. Should territorial authorities be able to remove danger using building emergency management powers in situations when it is not posing an immediate life-safety risk or a significant economic disruption? Why! Why not?

Yes, territorial authorities should, so long as they comply with the Resource Management Act 1991 and Building Act 2004.

1. Should resource and building consent processes be followed in these situations? Why / Why not?

Yes, they should. If required work to remove danger in situations where they are currently being managed, such as by cordons, is not causing significant economic disruption then these powers should be treated almost as business as usual for the territorial authority and they should be governed by the Resource Management Act 1991 and the Building Act 2004.

1. Is three years after a state of emergency an appropriate timeframe for these powers? If not, what would you suggest is an appropriate timeframe?

This depends on the nature of the event and the resourcing required to recover. It would seem that 3 years is at the extreme and reflects an event on the scale of the Canterbury earthquakes rather than most other events. If 3 years is to be the applicable time period, it should be reviewed annually, reasons given publicly for any extension and any such extension open to appeal. This is to enable other considerations, such as, the impact on economic recovery of prolonged denial of access to property.

Appeals

(Consultation document page 30)

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| Proposal 10: AppealsAppeals to the Chief Executive of MBIE about territorial authorities' building actions or omissions will be available in most situations.Building owners will be able to apply for a determination against territorial authorities under section 177 of the Building Act regarding the use of building emergency management powers in most situations. |

**To help ensure your feedback is understood, when answering the question please provide evidence and/or examples for your response where possible.**

1. The appeal rights are intended to protect people from life-safety risks, by allowing territorial authorities to manage unusable buildings whilst not interfering with private property rights more than is absolutely necessary. Do the appeal rights have the correct balance between life-safety risks and private property rights? Why / why not?

Yes, we believe they do have the right balance. The ability for appeals ensures that everybody affected has fair representation. However, we question whether to the CE of MBIE is most appropriate appeal channel. Surely appeal to the courts would be more appropriate?

Liability

 (Consultation document page 31)

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| **Proposal 11: Liability**Territorial authorities and assessors authorised by the territorial authority, will be under no liability arising from any action that they take in good faith under building emergency management powers. |

**To help ensure your feedback is understood, when answering the question please provide evidence and/or examples for your response where possible.**

21. Is it appropriate that territorial authorities and assessors are not liable for any action under the building emergency management powers for actions taken in good faith? Why / Why not?

 The Insurance Council does not agree with this. Without liability, territorial authorities and their assessors do not have accountability for their actions which could see high risk decisions being made with respect to the detriment to property and property rights. If a building was needlessly damaged or demolished then there would be consequences for insurance cover. Many insurance policies contain normal exclusions that confirm that where damage or destruction is ordered by a civil authority then the policy would not respond to a claim. The Insurance Council is aware that in a number of instances following the Canterbury earthquakes, some buildings that were damaged but were otherwise considered repairable were demolished which created issues for claims settling and customer relationships.

Costs

(Consultation document page 32)

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| **Proposal 12: Costs**Owners will be liable for most costs associated with the building emergency management powers. Territorial authorities have the power to recover costs from owners for any work done.Territorial authorities are responsible for the costs of the initial rapid building assessments and for cordons and restrictive measures for up to three months after the state of emergency has been lifted. |

**To help ensure your feedback is understood, when answering the question please provide evidence and/or examples for your response where possible.**

22. Is it appropriate for building owners to be liable for costs associated with the building emergency powers? Why / Why not?

The Insurance Council believes that building owners do need to be responsible for associated building emergency management costs, excluding though the initial rapid inspection assessments and cordons for the first 3 months after the state of emergency has lifted, because if this falls on territorial authorities then they may be reluctant to exercise their powers in the interests of the recovery.

It is important though that costs associated with exercising building emergency powers by the territorial authority need to be fair and reasonable and all costs need to be contestable. The situation occurred in Christchurch during the Canterbury earthquakes where Civil Defence declaration demolitions were ordered with little control over the final costs. Many building owners found that demolition costs ended up reducing what insurance money they had for reinstatement, resulting in not having enough insurance funds to rebuild. This ultimately affects the recovery.

Compensation

 (Consultation document page 33)

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| **Proposal 13: Compensation**Owners will be liable for most costs associated with the building emergency management powers, but can seek compensation for actions where the action caused disproportionately more harm than good. |

**To help ensure your feedback is understood, when answering the question please provide evidence and/or examples for your response where possible.**

23. Are the compensation proposals appropriate? Why! Why not?

 Yes, we believe that they are. As outlined in our answer to Question 21, territorial authorities need to be accountable for their actions and if their actions are negligent then the building owner and their insurer should be in a position to seek fair compensation.

Offences

(Consultation document page 34)

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| **Proposal 14: Offences****It** will be an offence, with a fine of up to $5,000 for an individual and $50,000 for a body corporate, to interfere or not comply with protective measures and placards.It will be an offence, with a fine of up to $200,000, not to comply with a notice to remove danger, or to use a building in breach of the directions on a placard. |

**To help ensure your feedback is understood, when answering the question please provide evidence and/or examples for your response where possible.**

1. Where there is interference or non-compliance with protective measures and placards, is a fine of up to $5000 for an individual and up to $50,000 for a body corporate appropriate? Why / Why not?

 Yes, we believe this is fair.

1. Is a fine of up to $200,000 appropriate for not complying with a notice to remove danger, or using a building in breach of the directions on the placard? Why / Why not?

Yes, we believe it is.

Thank you again for the opportunity to submit. You can contact either Tim Grafton, Chief Executive (04) 495 8001 or tim@icnz.org.nz, or John Lucas, Insurance Manager (04) 495 8006 or john@icnz.org.nz. We look forward to hearing from you.

Yours sincerely,

 

**Tim Grafton John Lucas**

Chief Executive Insurance Manager