

Levy exemption for art and items in collections

Introduction

When to use Use this guideline for assistance in administering the new levy exemption effective from 1 July 2019.

Role Anyone liable to pay levy as per the Fire Service Act 1975

Contents

- [Background](#)
- [Applying the exemption](#)
- [Definitions](#)
- [Legislation](#)
- [More information](#)

Background

The Fire and Emergency New Zealand (Levy) Amendment Act 2019 was passed into legislation on 7 May 2019. This legislation introduced new exemptions from levy regarding art and items in collections of cultural heritage bodies. The specific wording of the exemptions are set out at clause 25A, Schedule 1 of the Fire and Emergency Act 2017.

These exemptions apply to insurance policies first incepted or renewed on or after 1 July 2019.

Applying the exemption

Criteria For art or items to be exempt from levy, **all** of the following conditions must be met:

- The art or items are insured against fire under any contract of fire insurance in New Zealand;
 - The art or items must be in a collection of a cultural heritage body - this means that the art or items are held by, or in the care of, a cultural heritage body (whether or not the art or items are currently present in or on that body's premises). Ownership of the art or items by the cultural heritage body is not required;
 - The cultural heritage body is a permanent and non-profit making body;
 - The cultural heritage body is a museum/whare taonga, archive or art gallery;
 - The primary purpose of the cultural heritage body is to exhibit or conserve cultural heritage items in perpetuity to enable public education, public enjoyment or preservation of cultural heritage items; and
 - The cultural heritage body exhibits or conserves its collection(s) on premises that are usually open to the public or a class of a public (not a private residence).
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Information to retain

Fire and Emergency may review insurance policies with exempt art or items insured as part of our audit process. The liable levy insurance policy holder should ensure the following information is held on file to support the exemption:

- The trust deed or information detailing the primary purpose of the organisation;
- If the art or items exempt from levy are owned by another organisation or person, a copy of the loan agreement detailing the art or items, and the organisation it is on loan to or similar acceptable documentation e.g. letter or email;
- Where a policy contains both exempt and non-exempt items, a schedule clearly identifying all art and items and their indemnity values.

Definitions**Archive**

Includes Archives New Zealand (Te Rua Mahara o te Kāwanatanga) and National Library of New Zealand Te Puna Mātauranga o Aotearoa.

Includes specialist archival units (for example, an archival unit within a general university library such as the Hocken Collections - Uare Taoka o Hākena).

Does not include a library.

Cultural heritage body

Means a museum/whare taonga, archive, or art gallery that:

is a permanent non-profit making body whose primary purpose is to exhibit or conserve cultural heritage items in perpetuity to enable public education, public enjoyment, or the preservation of those cultural heritage items; and

exhibits or conserves its collection or collections in premises that are not a private residence and that are usually open to the public or a class of the public.

Cultural heritage items

Property (tangible or intangible) that is significant from a scientific, historical, artistic or cultural perspective.

Legislation**Act**

Clause 25A of Schedule 1, Fire and Emergency New Zealand Act 2017

Effective Date

1 July 2019

More Information

For more information, email FEL@fireandemergency.nz or visit our website www.fireandemergency.nz/levy

Document information

Owner	Deputy Chief Executive, Finance and Business Operations
Last reviewed	9 September 2021
Review period	Every second year