

Heritage Earthquake Upgrade Incentive Programme

Heritage EQUIP

Questions and Answers

Q: What is the Heritage Earthquake Upgrade Incentive Programme (Heritage EQUIP)?

A: This is new Budget 2016 funding of \$12 million over four years to assist private owners of heritage buildings considered to be of national significance to earthquake strengthen their buildings.

Q: How are these heritage buildings classified?

A: Listed on the New Zealand Heritage List / Rārangi Kōrero and maintained under the Heritage New Zealand Pouhere Taonga Act 2014 Category 1 historic places are defined as 'places of special or outstanding historical or cultural heritage significance or value' and Category 2 historic places refers to 'places of historical or cultural heritage significance or value'.

Q: Who can apply for this funding?

A: Private owners of Category 1 buildings throughout New Zealand and Category 2 buildings in high and medium areas of seismic risk to strengthen their buildings that are earthquake-prone under the Building Act 2004 will be eligible to apply.

In exceptional circumstances, earthquake-prone heritage buildings in private ownership scheduled on a district plan but not currently on the New Zealand Heritage List Rārangi Kōrero may apply if they are deemed to meet the List criteria and/or are being processed to be on the List.

Buildings owned by charitable trusts will not be eligible for funding from Heritage EQUIP as they are eligible for funding from the Lotteries Grant Board. Exceptions could be made for certain trust-owned buildings unable to apply for Lotteries funding due to the provisions of their own empowering constitutions. (For example, some churches might be included in this category.)

Q: Why is the Government providing financial assistance to private owners of heritage buildings?

A: Heritage buildings have significant value to all New Zealanders, but it is the owners who bear the strengthening costs. Where these costs are prohibitive, there is a real risk we may lose some of this precious heritage or it could be left indefinitely vacant. This could seriously impact regions where heritage buildings support the continued viability of towns, businesses and communities.

Q: What areas are deemed as high and medium areas of seismic risk?

A: High risk areas include: Gisborne, Napier, Hastings, Palmerston North, Wellington, Blenheim and Christchurch. Medium risk areas include: Tauranga, Hamilton, Rotorua, Whanganui, Nelson, New Plymouth, Timaru and Invercargill.

Q: When will the funding be available?

A: The funding will be available in the 2017 calendar year.

Q: Why isn't the funding available now?

A: Processes need to be established to ensure that the funds are distributed in a fair and equitable manner, with appropriate input by experts. A comprehensive information package is also being developed to assist owners in making applications to the fund.

Q: Who will administer the fund?

A: An expert advisory panel appointed by Cabinet, supported by a secretariat led by Ministry for Culture and Heritage staff and established in the 2016-17 financial year, will consider all the applications on their merit. This will be a clear and transparent process with all applicants required to follow the same due process when applying for the funds.

Q: How will the advisory panel operate?

A: The panel will operate in a similar way to other government advisory panels by considering all applications against the funding criteria and then make recommendations to the Chief Executive of the Ministry for Culture and Heritage for consideration.

Q: Is this a fund of last resort?

A: This Government funding is a contribution to the costs of strengthening. Applicants will need to show they have other sources of funding; including their own investment, and or funding from other sources such as local government, philanthropic and community trusts.

Q: How many people is this fund expected to benefit?

A: It is anticipated that up to 1000 owners of privately-owned Category 1 and Category 2 building owners would be eligible to apply for this funding.

This number is based on the fact that currently there are 417 Category 1 heritage buildings considered as earthquake-prone with 285 in private ownership. However, as not all Category 1 heritage buildings have been assessed this figure is likely to be higher. In addition an estimated 700 Category 2 heritage buildings are in a high seismic risk zone and in private ownership.

Q: How does this fund link to the Building (Earthquake-Prone Buildings) Amendment Act 2016 (Act) passed earlier this year?

A: The Building (Earthquake-prone Buildings) Amendment Act 2016 will require owners of earthquake-prone buildings (which may include some heritage buildings) to carry out work on their buildings so that they are no longer earthquake prone within set timeframes.¹ The timeframes are dependent upon level of seismic risk in which the building is located (high, medium or low) and whether the building is considered a priority building.

This Budget initiative complements the Amendment Act by assisting eligible owners of heritage buildings, and particularly those buildings located in high and medium risk areas, to meet costs associated with strengthening their buildings.

Q: How does the Amendment Act assist heritage building owners?

A: The Amendment Act recognises the complexities associated with strengthening and upgrading earthquake-prone heritage buildings within set timeframes by providing options to extend these. Owners of some heritage buildings identified as earthquake-prone may apply to their territorial authority for an extension of up to 10 years to complete the required seismic work. However, they must take steps to manage or reduce the risks associated with their building if an extension is granted.

Q: When will the new framework for managing earthquake-prone buildings come into effect?

A: The Amendment Act was passed on 12 May 2016. The Act must come into force by 12 May 2018, but is likely to commence earlier, at the beginning of July 2017. Supporting regulations are likely to come into force at the same time.

The Ministry of Business, Innovation and Employment (MBIE) administers the Building Act 2004. More information about the new framework for managing earthquake-prone buildings can be found at: <https://www.building.govt.nz/managing-buildings/earthquake-prone-buildings-policy-framework/new-framework-for-managing-earthquake-prone-buildings/>.

The Ministry for Culture and Heritage administers Heritage EQUIP in close consultation with MBIE.

¹ In practice an earthquake-prone building is often referred to as one that is less than 34% of the New Building Standard. Certain buildings are excluded from the legislation, including most residential buildings, farm buildings, monuments that cannot be entered and a range of other structures.