Ministry for Primary Industries Manatū Ahu Matua

### Notification of change to the fee for the registration of Custom Food Control Plans under the "My Food Plan" registration pathway

#### Who should read this notification?

You should read this notification if you operate a food business that is required under the Food Act 2014 (the Food Act) to have a registered Food Control Plan and you:

- (a) intend to apply to the Ministry for Primary Industries (MPI) to register a **Custom Food Control Plan** via the **My Food Plan** registration pathway; or
- (b) your business currently holds a My Food Plan registration with MPI.

#### What does this notification relate to?

This notification relates to the upcoming change in the fee associated with the My Food Plan registration pathway for registering a Custom Food Control Plan under the Food Act with MPI.

#### What is the MFP registration pathway?

The Food Act requires high-risk businesses listed in <u>Schedule 1</u> to have a registered Food Control Plan. A Food Control Plan can be in the form of a template approved by the Chief Executive of MPI for businesses in a particular food sector (Template Food Control Plan) or it could be custom made by the business itself (Custom Food Control Plan) especially for complex operations or those covering multiple food sectors.

The My Food Plan registration pathway is an alternative discretionary registration pathway provided by MPI to help reduce compliance costs for high-risk businesses who want to register a Custom Food Control Plan. It is an alternative to the default conventional registration pathway.

Under the My Food Plan registration pathway, MPI provides an online tool called "My Food Rules", which food businesses can use to obtain a Custom Food Control Plan called "My Food Plan" (thus the name of the registration pathway). MPI then arranges an interview of the food business to ensure they understand their plan and can effectively implement it to produce safe and suitable food. At the end of the interview, the business gets an interview report, which it then has to attach to their registration application. Once the application is submitted, the timeframe for approval is comparatively shorter.

Refer to this link for more details about the My Food Plan process: <u>https://www.mpi.govt.nz/food-business/food-control-plans/custom-food-control-plans/steps-to-a-my-food-plan/</u>

Under the default conventional pathway, the food business itself is responsible for developing their own Custom Food Control Plan, validating it, engaging an MPI-recognised evaluator to evaluate it and then applying to register the plan with MPI. This is significantly costly and takes longer.

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#### What is the new fee?

The total registration fee for a My Food Plan registration will increase from the current fee of **\$303.75** (excl. GST) by **\$978.75** (excl. GST) to cover the waiver process, hence a total of **\$1,282.50** (excl. GST).

#### When will the new fee come into effect?

The new fee will come into effect on **1 October 2023**. This means the new fee will apply to all new My Food Plan registration applications and complex significant amendment applications that require an interview, which are received on 1 October 2023 onwards.

From the commencement date of **1 October 2023**, applicants will be required to pay the fee of **\$1,282.50 (excl. GST)** up front when submitting their applications. Applicants will have to pay the full amount. If an applicant withdraws or discontinues their application at any stage, MPI will deduct the relevant administration charges including any actual assessment costs incurred and refund the balance to the applicant.

#### Applications received before 1 October 2023 not affected

Applications received before 1 October 2023 will still be subject to the old fee regime (i.e. the waiver process is free of charge and the registration fee is \$303.75 (excl. GST)).

#### Justification for the new fee

Since 19 July 2019, MPI has been meeting the costs associated with the My Food Plan registration pathway using funding allocated as part of the implementation of the Food Act 2014. As such, food businesses have been receiving the services under this pathway free of charge. Funding has now expired.

The fee increase would enable MPI to continue offering the My Food Plan registration pathway to businesses that want to pursue it.

# Fee for the My Food Plan registration pathway still significantly cheaper than the default registration pathway despite the increase

Although the default registration pathway remains available to all food businesses and allows them a lot of flexibility, it is significantly expensive as it typically costs between \$5,000.00 to \$25,000.00 and months to develop and register a Custom Food Control Plan under that pathway. So despite the fee increase, businesses will still save between \$3,700.00 - \$24,000.00 if they register via the My Food Plan registration pathway instead of the default pathway.

# Empowering legislative provisions for the fee increase and where the money will go

The fee increase is empowered under the Food (Fees and Charges) Regulations 2015 (the Regulations). There are two process steps associated with the My Food Plan registration pathway,

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namely the waiver of evaluation process and the registration process. Each step has its own fees and charges under the Regulations as follows:

- <u>Waiver of evaluation fee</u> \$978.75 per application (excl. GST), plus \$135.00 per hour spent processing the application after the first 2 hours and 15 minutes;
- <u>Registration fee</u> \$303.75 per application (excl. GST), plus \$135.00 per hour spent processing the application after the first 2 hours and 15 minutes.

The fee of the evaluation waiver process for each application using the relevant provisions in the Regulations is \$978.75 (excl. GST), and is broken down into the following:

- \$675.00 (excl. GST) covering 5 hours of the interview process to waive the requirement of the Act for the Custom Food Control Plan to be independently evaluated by a recognised evaluator. MPI currently provides this interview service through 3 current external interviewers. The interview process covers the preparation of interview material, the actual interview, any follow ups, engagement with MPI on technical questions and preparation and finalisation of interview report. If an interview is going to take longer than 5 hours MPI will consult the applicant to see if they wish to proceed with the process and to pay any additional costs.
- \$303.75 (excl. GST) for the waiver application fee covering 2 hours and 15 minutes of MPI's
  general administration costs in receiving and entering applications into the system, arranging
  interviews, liaising with interviewers on matters that might arise during the interview, and peer
  review of interview reports where necessary.

The registration fee of \$303.75 (excl. GST) per application remains unchanged. This covers MPI's time in assessing the application and associated administrative tasks associated with that service.

Section 198(1) of the Food Act requires the Minister for Food Safety and the chief executive of MPI to take all reasonable steps to ensure that the direct and indirect costs of MPI in administering the Food Act that are not provided for by Crown funding are recovered, whether by way of fees, levies, or otherwise.

Types of applicable fees and charges under the Food (Fees and Charges) Regulations 2015	Current fees and charges (Excluding GST)	New fees and charges (on and after 1 July 2023) (Excluding GST)
Evaluation waiver application [\$303.75 per application, plus \$135.00 per hour spent processing the application after the first 2 hours and 15 minutes]	No charge (Costs are being met by MPI)	<ul> <li>\$978.75, which consists of:</li> <li>\$303.75 covering the first 2 hours and 15 minutes of MPI's administrative process; plus</li> <li>\$675.00 covering 5 hours allocated for the interview process (i.e. scheduling, information</li> </ul>

#### Comparison between current and new fees

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		recording, interview, report writing, follow up enquiries etc.]
		[Additional charges will apply if the interview process takes longer than 5 hours and after further consultation with the applicant]
Registration application	\$303.75 per application	\$303.75 (no change)
[\$303.75 per application, plus \$135.00 per hour spent processing the application after the first 2 hours and 15 minutes]	[plus \$135.00 per hour spent processing the application after the first 2 hours and 15 minutes]	
TOTAL	<b>\$303.75</b> excl. GST (i.e. \$349.31 incl. GST)	<b>\$1,282.50</b> excl. GST (i.e. \$1,474.87 incl. GST)

#### Contact for this notification

If you have any questions in relation to this notification, please contact: <u>mpi.approvals@mpi.govt.nz</u>