

# Proposed Revisions to the Cost Recovery Regimes for Biosecurity and Food Safety: FAQs

## What's being proposed?

This consultation document sets out a series of proposals for changing the way that MPI recovers costs from individuals and industries. Most of these changes are simple fee rate updates to reflect changes to costs, new services or expanded services since the last review.

Other proposals are for improvements to how we recover costs, to improve the efficiency, equity, effectiveness, or transparency of charging regimes.

At a glance, MPI is proposing to:

- update over 250 biosecurity and food safety fees, charges and levies
- change regulations to ensure fairness, clarify intent and reduce red tape
- increase the amount recovered from industry for biosecurity by \$6.0 million to \$36.4 million in 2015/16
- increase the amount recovered from industry for food safety by \$6.8 million to \$62.1 million in 2015/16

## Why is MPI doing this review?

This consultation marks the first review of fees for the biosecurity system since 2010 and the first review of food safety fees since 2008.

Since the last review of fees there has been:

- an increase in imports and exports
- an increase in the number of food businesses
- changes to trading patterns which means MPI has had to provide new and improved services
- increasing inflation pressure which means the real cost of delivering services is also increasing.

In addition, the different systems for recovering costs from industry were not developed at the same time which, over time, has led to inequities in current charges. The proposed updates have been designed to address these inequities and ensure all industry – large and small – is treated fairly.

## What do you mean by biosecurity and food safety systems?

The biosecurity system prevents or manages risks from harmful organisms, like pests and diseases. It helps protect New Zealand's economy, environment, human health, and a range of social and cultural values. It does this by stopping pests and diseases before they arrive or dealing with them if they do enter the country.

The food safety system ensures the safety of consumers in New Zealand and abroad from New Zealand produced food. All food produced for sale in New Zealand must be produced to meet the requirements in legislation and regulation, whether the food is sold in New Zealand or overseas, or imported.

Both systems allow industry to provide assurances to its customers in New Zealand and abroad that their products are safe.

## Who pays for these systems?

Like other major Government systems, the food safety and biosecurity systems are partially funded by tax payers out of recognition of the benefit they bring the wider economy.

However, a key principle in the law which governs food safety and biosecurity is that those who most directly benefit must shoulder some of the cost. This consultation presents options for how much industry should be charged.

## Does everyone pay the same?

No. Different businesses will pay different amounts depending on the services they receive.

The major cost recovery systems have different approaches because they were not developed at the same time. Over time this has led to inequities in current charges.

The mergers which formed MPI out of the Ministry of Fisheries, the Ministry of Agriculture and Forestry and the New Zealand Food Safety Authority have provided an opportunity to reset charges to support the key principles of: efficiency, effectiveness, equity, justifiability and transparency.

## Is cost recovery a new initiative?

No. It is a longstanding and important part of the way New Zealand government funds its services to industry.

## What will this mean to my business?

The costs that businesses will need to meet will vary according to the nature of the particular business. The extent to which these apply to different activities is set out in the consultation document. A copy of the consultation document can be downloaded from the [cost recovery consultation page](#).

## Will I get a chance to talk through these proposals with someone?

Yes. MPI is running a series of presentations around the country which will provide industry a chance to better understand how the proposals will affect them and give feedback to MPI staff directly. Information on presentation dates and locations is available on the [cost recovery consultation page](#).

## How do I take part in the consultation?

Consultation on the proposed updates is being held from 19 January to 20 February. If you are industry, you will also get a chance to attend one of the presentations we are holding around the country during this time.

We value your feedback and encourage you to make a submission on the proposed changes. To find out more and to make a submission, please visit the [cost recovery consultation page](#) or contact us on [costrecovery@mpi.govt.nz](mailto:costrecovery@mpi.govt.nz).