



Cabinet Legislation Committee

Summary

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Updates to Cost Recovery Settings for Animal Products

Portfolio Food Safety

Purpose This paper seeks authorisation to submit the following regulations to the Executive Council (the regulations):

- Animal Products (Fees, Charges, and Levies) Amendment Regulations 2023;
- Animal Products (Dairy Industry Fees, Charges, and Levies) Amendment Regulations 2023;
- Animal Welfare (Cost Recovery) Amendment Regulations 2023;
- Biosecurity (Costs) Amendment Regulations (No 2) 2023.

Previous Decisions In June 2023, the Cabinet Economic Development Committee agreed to change a number of fees for Ministry of Primary Industries animal products services. Among these changes is an 11 percent increase to Establishment fees payable when animal welfare, food safety, or biosecurity staff are semi-permanently based at a business due to the amount of work being done, and seven smaller changes to address gaps and inconsistencies in fees [DEV-23-MIN-0136].

Proposal The regulations listed above will give effect to the June 2023 decision to update fees.

Impact Analysis A Cost Recovery Impact Statement was submitted when substantive policy decisions were taken.

Compliance Parliamentary Counsel certified on 16 August 2023 that the regulations are in order for submission to Cabinet, provided the Minister for Food Safety is satisfied that all statutory prerequisites for each regulation have been met.

Timing Matters The regulations will come into force on 1 October 2023.

Communications MPI will update stakeholders who were consulted on the proposed changes.

Consultation Paper prepared by MPI (Food Safety). MBIE (Economic Development), the

Treasury, and TPK were consulted. DPMC (Prime Minister) was informed.

The Minister indicates that LEG ministers were consulted.

The Minister for Food Safety recommends that the Committee:

- 1 note that on 3 July 2023, the Cabinet Economic Development Committee agreed to increase Establishment fees and to make seven small changes to address gaps and inconsistencies in cost recovery settings around animal products [DEV-23-MIN-0136];
- 2 note that the following amendment regulations will give effect to the decision referred to in paragraph 1 above:
 - 2.1 Animal Products (Fees, Charges, and Levies) Amendment Regulations 2023;
 - 2.2 Animal Products (Dairy Industry Fees, Charges, and Levies) Amendment Regulations 2023;
 - 2.3 Animal Welfare (Cost Recovery) Amendment Regulations 2023; and
 - 2.4 Biosecurity (Costs) Amendment Regulations (No 2) 2023;
- 3 note that the Minister for Food Safety is satisfied that all statutory prerequisites have been met for making the required regulatory changes;
- 4 note that the changes will increase the Ministry for Primary Industries' cost recovered revenue by around \$3.5 million annually, avoiding writing off around \$0.2 million at a cost to the Crown in 2023/24;
- 5 agree that the amendment regulations for biosecurity charges be clarified so that the charges that relate to veterinarians undertaking necessary specialist functions, or being available to undertake them, is for the import of live animals and germplasm;
- 6 authorise the submission of the following regulations to the Executive Council:
 - 6.1 Animal Products (Fees, Charges, and Levies) Amendment Regulations 2023 [PCO 25717/4.0];
 - 6.2 Animal Products (Dairy Industry Fees, Charges, and Levies) Amendment Regulations 2023 [PCO 25718/6.0];
 - 6.3 Animal Welfare (Cost Recovery) Amendment Regulations 2023 [PCO 25719.2.0];
 - 6.4 Biosecurity (Costs) Amendment Regulations (No 2) 2023 [PCO 25720/2.0];
- 7 note that the amendment regulations will come into force on 1 October 2023

Sam Moffett
Committee Secretary

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Minister for Food Safety