



29 February 2024

Cost Recovery Directorate – Corporate Branch
Ministry for Primary Industries
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Tēna koe,

DCC SUBMISSION ON PROPOSAL TO “MAINTAIN AND EXPAND” NEW ZEALAND FOOD SAFETY’S CORE REGULATORY SERVICES UNDER THE FOOD ACT 2014

Introduction

1. The Dunedin City Council (DCC) welcomes the opportunity to submit on the Ministry for Primary Industries’ (MPI) proposal (the Proposal) to “maintain and expand” New Zealand Food Safety’s (NZFS’s) core regulatory services under the Food Act 2014 (the Act).

Submission

2. DCC recognises that food safety contributes to maintaining the health and well-being of New Zealanders.
3. We note that the Proposal covers both domestic food business and food importers. This submission focuses predominantly on domestic food businesses.
4. DCC does not support the proposal to impose a levy on domestic food businesses to recover costs for its current and proposed expanded service.
5. Reasons the DCC does not support the proposal are:

a. NZFS is already funded for most of the services cited in the Proposal.

The consultation document references \$1.7m baseline Crown funding for food safety. However, 2023/24 Vote Agriculture, Fisheries, Bio-security and Food Safety includes an appropriation of \$128 million to provide assurance, information, response, standards, trade and market access for food safety. It is also unclear what additional services over and above NZFS’s existing responsibilities would be provided.

b. The Proposal will place a disproportionate burden on food businesses.

The Proposal to impose charges on domestic food businesses will have a direct financial impact on those businesses. Many are recovering from the impacts of the COVID-19 epidemic and its economic, social and business consequences.

c. Requiring territorial authorities to collect the proposed MPI levy imposes additional financial and administrative burdens upon territorial authorities and businesses.

The DCC does not support the proposed requirement for territorial authorities to collect MPI levies. Territorial authorities are already struggling to meet increasing costs to deliver services to



their residents. This would impose additional financial and administrative burdens on Councils, compounding the existing pressures facing the local government sector and in turn, their ratepayers.

d. Relationships with stakeholders.

DCC staff have worked to build positive and constructive relationships with Dunedin food businesses over a long period of time. Using territorial authorities to collect MPI levies (and any unpaid debt collection costs) risks compromising these local relationships with food businesses.

e. The Proposal introduces an additional level of bureaucracy.

As well as financial and administrative burdens, new MPI levies would introduce an unnecessary layer of government administration. It would increase complexity and operational workload as businesses have a variety of registration time-cycles. This appears to conflict with the Coalition Government's intended direction¹.

f. The approach is inequitable.

The Proposal calculates the recommended levy based on the number of registered sites, which would be inequitable. This would mean a large, high turnover business such as a supermarket would have the same levy as a small, low turnover business such as a dairy. MPI acknowledges it does not have adequate information to support an alternative approach. Further work is required to consider the impact and risks of such a broad approach. Also, s198(a) of the Food Act 2014 (The Act) requires cost recovery under s199 apply the principle of equity and "be sourced from the users and beneficiaries of the service, commensurate with their use or benefit of that function or service".

g. The Proposal appears to conflict with the principles of the Act.

Section 16 of the Act outlines the principles that should be applied in exercising the duties and functions under the Act. These include:

- the need to minimise compliance costs for food businesses (s16(d))
- the importance of ensuring that regulatory requirements are applied consistently and fairly across sectors and groups (s16(e))
- the scale of the operations of food businesses within the sector or group, and the extent of distribution of the food in which they trade. (s16(1)(e)(iv)).

The Proposal appears to conflict with the requirements and principles of the Act. For the reasons outlined above, the DCC does not support the Proposal.

Ngā mihi,



Jules Radich
MAYOR
DUNEDIN CITY COUNCIL

¹ 2023 Coalition Agreement: *"Improving the efficiency and effectiveness of public services."*