

6 March 2024

Cost Recovery Directorate- Corporate Branch  
Ministry for Primary Industries  
PO Box 2526  
Wellington 6140

Tēnā koe,

**Manawātū District Council Submission on MPI's Cost Recovery Proposal to Maintain and Expand New Zealand's Food Safety Core Regulatory Services Under the Food Act 2014**

The Manawātū District Council (MDC) thanks the Ministry for Primary Industries for the opportunity to provide feedback on the Cost Recovery Proposal to Maintain and Expand New Zealand's Food Safety Core Regulatory Services Under the Food Act 2014.

MDC supports the principles guiding that New Zealand's food safety regulatory services. MDC notes that New Zealand's food safety regulatory services play a crucial role in protecting public health, ensuring food safety, promoting consumer confidence, facilitating international trade, and safeguarding the integrity of the food supply chain. MDC, however, does not support certain proposals in the consultation document and these are highlighted below. This submission supports Taituarā's submission points and recommendations.

**Implications of Additional Levy on Food Businesses**

MDC is deeply concerned about the implication of the potential imposition of a levy on food businesses, given its anticipated economic and social ramifications. Particularly concerning is the timing of such a levy, as these businesses are currently in the process of recuperating from the profound impacts of COVID-19 restrictions on businesses.

Introducing an additional financial burden through a proposed levy stands to exacerbate the challenges faced by food businesses, hindering their ability to fully regain stability and sustainability in the post-pandemic economic landscape. Such a levy could impede growth, investment, and job creation within this crucial sector, thereby thwarting broader efforts toward economic recovery.

Furthermore, the imposition of this levy may lead to increased prices for consumers. This outcome could have far-reaching consequences for community well-being, thereby exacerbating existing inequalities and vulnerabilities. MDC recommends that MPI align its proposal's objectives with the principles outlined in section 16(d) of the Food Act, particularly the need to minimise compliance costs for food businesses.

**Proposal for Territorial Authorities to Collect Domestic Food Business Levy as Part of Existing Registration Processes**

MDC does not support the proposal for territorial authorities to collect the new domestic food business levy on MPI's behalf. MDC agrees with the submission points raised by Taituarā regarding the collection of the new levy. MDC is concerned that businesses will perceive local government as the imposer and recipient of the increased levy which may strain relationships between the Council and local businesses. MDC considers that local government gains no

tangible benefit from collaborating with central government in collecting MPI's fees. In fact, there is a perceptible downside for local government in assuming the role of central government's levy collector, while central government stands to gain advantages from local government handling fee collection.

We further agree with Taituarā that central government needs to independently collect its regulatory fees. If the proposal progresses, it is imperative for MPI to implement a comprehensive communications strategy to apprise affected businesses of the new regime and collaborate with local authorities to ensure clarity in invoice wording, clearly attributing fees to MPI.

MDC suggests that MPI considers the implication of bad debts when businesses default in the payment of the levy. MDC does not want to take on the additional responsibility of collecting bad debts which ought to be attributed to MPI in the first instance. MDC supports Taituarā's recommendation that MPI takes responsibility for the enforcement procedures and sanctions associated with the collection of bad debts.

### **Potential Incurred Costs from the Collection and Transfer of Levy Payments to NZFS**

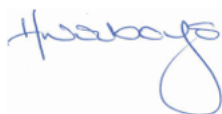
MDC supports Taituarā's submission that the proposal's assumption that it will take councils an average of five minutes of additional work on top of existing registration processes to collate, track and transfer collected levy revenue to MPI is wrong. MDC agrees that it will take local authorities longer than five minutes to set-up the pass-through system, manage relationships, maintain the system, monitor payments, aggregate payments and on-pay MPI. Further it would create additional administrative burden on Council staff who are working hard to maintain service levels in the current economic climate.

### **Increased Consistency of Training for Verifiers and Provision of Verification Services**

MDC agrees that domestic food businesses benefit from greater consistency of training for verifiers and provision of verification services and that an adequate amount be paid for the services. MDC, however, notes that MPI's training support has dropped over the last two years. Further training has not been made available to environmental health officers. Further, specific training for verifying schools Ka Ora, Ka Ako - Healthy School Lunches Programme has also ceased. As a result, our environmental health officers are not able to verify schools Ka Ora, Ka Ako as they have not been provided with the requisite training.

MDC thanks MPI for the opportunity to provide feedback on this proposal.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Helen Worboys', with a stylized loop at the end.

Helen Worboys, JP  
**Mayor**