



Consultation Paper on Proposed Revisions to the Cost Recovery Regimes

Biosecurity, Animal Products, Agricultural Compounds
and Veterinary Medicines, Wine and Animal Welfare

Animal Welfare proposals and fee updates

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7 Cost recovery proposals under the Animal Welfare Act 1999

7.1 OVERVIEW

As a humane society we have responsibilities to ensure our animals' needs are met. Animal welfare is also increasingly important for accessing premium markets and differentiating New Zealand's products. MPI issues Animal Welfare Export Certificates (AWECs) before any live animal can be exported, which helps to ensure that any animal welfare risks during travel are minimised.

This is the first review of fees for animal welfare activities since 2008.

7.2 ACTIVITIES UNDER THE ANIMAL WELFARE ACT 1999

7.2.1 Introduction

Cost recovery under the Animal Welfare Act is provided for under the Animal Welfare Export Certificate (AWEC) Regulations 1999. Activities that are cost-recovered include the issuing of AWECs and the Veterinary Inspector time associated with processing those certificates.

Further details of MPI's activities under the AWA are provided in section 7.5, Appendix 1.

7.3 POLICY PROPOSALS

AWA#1 – Charge for animal welfare export functions performed by non-veterinarians

7.4 AWA#1 – CHARGE FOR ANIMAL WELFARE EXPORT FUNCTIONS PERFORMED BY NON-VETERINARIANS

7.4.1 Background

The Animal Welfare Export Certificate Regulations 1999 include charges for the costs of veterinarians employed by the Ministry to perform functions in accordance with Part 3 of the Animal Welfare Act 1999.

7.4.2 Problem definition

MPI cannot recover costs for work done by non-veterinarians

The Animal Welfare Export Certificate Regulations 1999 include charges only for MPI veterinarian staff. They do not provide for charging for work done by non-veterinarian staff who are involved in processing AWECs. This results in under-recovery of the costs incurred for providing these services.

7.4.3 Proposed cost recovery for non-veterinarian work associated with live animal export

MPI proposes that the Animal Welfare Export Certificate Regulations 1999 also allow MPI to recover the costs of work done by non-veterinarians, as well as veterinarians, in accordance with Part 3 of the Animal Welfare Act 1999, and any other costs incurred in delivering the services. These proposals will help ensure the Ministry recovers the full cost of providing these services to the users who benefit from the services. This proposal would also align the Animal Product (Fees, Charges, and Levies) Regulations 2007 and the Animal Welfare Export Certificate Regulations 1999. The required changes to the Animal Welfare Export Certificate Regulations 1999 to give effect to this are:

- clause 5: change the reference from 'any veterinarian' to 'any person';
- clause 6 (a) and (b): change from 'veterinarian' to 'any person employed by the Ministry'; and

- clause 7: establish hourly rates for:
 - Veterinarians undertaking specialist functions necessary for the issue of an animal welfare export certificate under section 46 of the Animal Welfare Act 1999. (The rate for these veterinarians would align with the rate charged for veterinarians in Part 8, hourly rate 1, of the Animal Product (Fees, Charges, and Levies) Regulations 2007.)
 - Ministry employees to process and consider an application for an animal welfare export certificate under section 42 of the Animal Welfare Act 1999. (The rate for these employees would align with the rate charged for veterinarians in Part 8, hourly rate 2, of the Animal Product (Fees, Charges, and Levies) Regulations 2007.)

MPI also proposes that disbursements associated with these activities be recoverable on an actual and reasonable basis.

7.4.4 Questions for consideration

Question 7.4

- 1) Do you agree with the proposed method of charging for support staff that assist in issuing Animal Welfare Export Certificates?
- 2) If not, what is your preferred option for cost recovery of support staff that assist in issuing Animal Welfare Export Certificates, and what are the reasons for this preference?

7.5 APPENDIX 1 – MPI ACTIVITIES UNDER THE ANIMAL WELFARE ACT 1999

7.5.1 Standard setting

The following standards are developed, promulgated and maintained under the Animal Welfare Act 1999 (AWA):

- publishing guidelines for the issue of Animal Welfare Export Certificates (AWECs);
- gazetting exemptions for animals to need AWECs;
- developing codes of welfare;
- developing codes of ethical conduct.

7.5.2 Approvals

The approvals programme issues AWECs to regulated parties under the AWA and associated regulations.

7.5.3 Animal Welfare Group

The Animal Welfare Group is responsible for managing risks to animal welfare in the New Zealand animal production and animal processing industries; in research, teaching and testing sectors (RTT); during exports of live animals; and in sectors where animals are used for companionship, recreational or working purposes.

The Animal Welfare Group's regulatory functions include providing standards, guidance and implementation support to these sectors to ensure requirements under the AWA are met.

Compliance and monitoring

The Animal Welfare Group works closely with MPI's Verification Services, who have more than 200 warranted Animal Welfare Officers at processing plants throughout New Zealand.

Monitoring of animal welfare of animals presented for slaughter is conducted by MPI Verification Service staff. Most of these staff are veterinarians who are also warranted Animal Welfare Officers. Costs for all activities of MPI Verification Services staff at slaughter premises, including any animal welfare activity, is recovered from the meat processing industry.

The monitoring and compliance service area under the AWA for production animals is provided by the Compliance Directorate in the Operations Branch, and is funded by the Crown. The SPCA provides monitoring and compliance services for companion animals, and this is largely funded by public donations. The SPCA also provides some services for monitoring and compliance with production animals, particularly in relation to lifestyle farms, and MPI funds a total of \$400,000 a year for training in this area.

Other compliance activities include:

- activities undertaken under section 141, including maintaining a register and the costs associated with managing these animals;
- other veterinary inspections;
- investigating complaints from the public.

Animal Exports Team

The Animal Welfare Group works closely with the Animal Exports Team, which is responsible for processing AWEC applications and issuing an in-principle AWEC. Verification Services works in the animal exports area, with some port veterinary inspectors having delegated authority to issue Animal Welfare Export Certificates under the AWA. Costs for these activities are recovered under the Animal Welfare Export Certificate Regulations.

7.6 APPENDIX 2 – EXISTING AND PROPOSED FEES UNDER ANIMAL WELFARE ACT 1999

Fees are shown as GST exclusive.

Shaded columns and headers are for referencing and commentary purposes. Light grey shaded content is for new proposals. Additional line spacing and column/row lines have been added for readability.

Animal Welfare Export Certificate Regulations 1999

		Function, power, or duty for which fee or charge payable	Fee or charge	Fee or charge payable by	Proposed fee	Comment
1	4	Animal welfare export certificate application fee The fee required by section 42(2)(c) of the Act to accompany an application for an animal welfare export certificate is \$24	\$21.33	Applicant (R5)	\$21.33	No change proposed.
2	6	Basis of amount payable The amount of any costs payable under regulation 5 [costs of veterinarian employed by Ministry] is to be determined – (a) by applying an hourly rate to the time spent by the veterinarian in providing the services including – (i) any waiting time; and (ii) any travelling time; and (b) by applying a mileage allowance to the distance travelled by the veterinarian for the purpose of performing the services.			(a) no change proposed (b) Per km charge as promulgated from time to time by the Commissioner of Inland Revenue under section DE12(3) of the Income Tax Act 2007.	Common#2
4	7	Hourly rate The hourly rate that applies for the purposes of regulation 6 [basis of amount payable] is, – (a) in the case of the time spent within usual hours, \$96 per hour; and (b) in the case of time spent outside usual hours, \$143.40 per hour.	\$85.33 per hour \$127.47 per hour	Applicant (R5)	\$186.30 per hour \$252.17 per hour	

		Function, power, or duty for which fee or charge payable	Fee or charge	Fee or charge payable by	Proposed fee	Comment
6 7	8	<p>Calculation of costs at hourly rates</p> <ul style="list-style-type: none"> Subject to clause (2), any costs required to be determined under regulation 6(a) by applying an hourly rate specified in regulation 7 are calculated by adding – <ul style="list-style-type: none"> (a) one quarter of the hourly rate; and (b) the product of – <ul style="list-style-type: none"> (i) one quarter of the hourly rate; and (ii) the number (if any) of complete periods of 15 minutes in excess of the first 15 minutes spent by the veterinarian on the matters specified in regulation 6(a); and (c) where any time in excess of the first 15 minutes spent by the veterinarian on the matters specified in regulation 6(a) is not an exact multiple of 15 minutes, one quarter of the hourly rate. 				<p>AWA#1 All time spent by an officer or employee of the Ministry would be subject to:</p> <ul style="list-style-type: none"> - minimum charge of one hour, plus - additional hours charged at the relevant hourly rate in 15-minute increments.
	8	<ul style="list-style-type: none"> Where time in excess of the first 15 minutes is spent by the veterinarian on the matters specified in regulation 6(a), the amount of the fee prescribed by regulation 4 must be deducted from the amount of the costs calculated in accordance with sub clause (1) of this regulation. 				
9	9	<p>Mileage allowance</p> <p>The mileage allowance that applies for the purposes of regulation 6(b) is 54 cents a kilometre.</p>	\$0.48 per kilometre	Applicant (R5)	Per km charge as promulgated from time to time by the Commissioner of Inland Revenue under section DE12(3) of the Income Tax Act 2007.	Common#2

9 Proposals that impact across multiple cost recovery regimes

9.1 BACKGROUND

The current structure of the Ministry is a result of the merger of different agencies that administered a range of Acts that provide for cost recovery. Because of this there are differences in the approach to cost recovery between sectors.

Some cost recovery issues, or features of them, are common across the different cost recovery regimes. The Ministry is therefore proposing to amend multiple sets of regulations at the same time to standardise some approaches to cost recovery, and the language used to describe them.

As a means of seeking feedback from all affected sectors, these multi-regime issues have been grouped for consultation purposes. Implementation for individual cost recovery regimes will be through the Regulations made under the authority of individual Acts.

9.2 POLICY PROPOSALS

Common#1 – Align hourly rate charges
Common#2 – Use Inland Revenue Department vehicle mileage rates

Common#3 – Recover costs for support staff involved in specialist services

Common#4 – Recover other costs incurred by MPI

Common#5 – Charge for performance of function, power or duty under the Act, Regulations and Notices not prescribed elsewhere

Common#6 – Correct use of the term ‘levy’

Common#7 – Update references to recognised persons and agencies

Common#8 – Align veterinary professional rates across biosecurity and food regulations

9.3 COMMON#1 – ALIGN HOURLY RATE CHARGES

9.3.1 Background

The food safety cost recovery regulations prescribe hourly rate charges using a number of different approaches, for example:

- Animal Products (Fees, Charges, and Levies) Regulations – one hour of time, with time thereafter charged on the basis of an assessment charge at hourly increments until the last half hour, which is done in 15 minute increments;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007 – similar approach, but prescribed in a different manner;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002 – different approach;
- Animal Welfare Export Certificate Regulations 1999 – different approach.

9.3.2 Regimes affected by this proposal

This change would apply to the following regulations:

- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.3.3 Problem definition

The different hourly rate charging approaches under each set of regulations adds complexity for staff performing similar functions under the different Acts as they may be required to follow different administrative processes for charging for services under each Act.

Options considered

The Ministry considered two options:

- Option 1 — maintain the status quo (inconsistent wording across multiple regulations).
- Option 2 — adopt a common approach across regulations, to the extent possible.

MPI's preferred approach is to establish a common approach across regulations. This will help to ensure consistency (and thereby promote efficiency) for staff performing similar functions under the different Acts.

The majority of cost-recoverable activity falls under the Animal Products Act 1999. Extending the approach prescribed in Part 1 and Part 2 of Schedule 1, of the Animal Products (Fees, Charges, and Levies) Regulations 2007 to regulations under other Acts is considered the most appropriate approach to take. A minimum charge of one hour also allows for the administrative costs associated with invoicing and collection.

9.3.4 Proposed alignment of hourly rate charging approach in keeping with the animal products fees

All time spent by an officer or employee of the Ministry would be chargeable at:

- a minimum charge of one hour, at the appropriate rate for the activity;
- an hourly rate, charged in 15-minute increments, for any time in excess of the first hour.

The Ministry proposes to apply this approach to the following regulations, with any necessary modifications:

- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.3.5 Questions for consideration

Question 9.3

- 1) Do you support the adoption of a common approach for hourly rate charging under the various food sector cost recovery regimes?
- 2) If not, what is your preferred approach for each of the food sector cost recovery regimes, and what are your reasons for this preference?

9.4 COMMON#2 – USE INLAND REVENUE DEPARTMENT VEHICLE MILEAGE RATES

9.4.1 Background

The Ministry recovers vehicle costs using mileage rates prescribed in the regulations for each regime. A number of different rates are currently in force, and these rates can quickly become out of date.

Similarly, the various regulations prescribe the bases for recovery of other costs incurred by the Ministry when delivering services to users.

The Inland Revenue Department (IRD) collects data on the costs of operating a motor vehicle, and the Commissioner promulgates a standard vehicle mileage rate under section DE12(3) of the Income Tax Act 2007.

The Ministry proposes to remove ‘static’ references in the current regulations and adopt the periodic rate promulgated by the Commissioner of Inland Revenue.

9.4.2 Regimes affected by this proposal

This change would apply to the all cost recovery regulations:

- Biosecurity (Costs) Regulations 2010 — veterinary inspectors only;
- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.4.3 Problem definition

The vehicle mileage rates are prescribed in various regulations and quickly become out of date. MPI’s collective employment agreement with its verifiers and some other staff provides for charging at the rate published by the Commissioner of Inland Revenue under section DE 12 (3) of the Income Tax Act 2007. The current rate³¹ is \$0.77 cents per kilometre.

The difference in employment agreement rates and the regulated rates for mileage and other costs can also lead to a discrepancy in the costs the Ministry recovers from service users and the reimbursements made to Ministry staff for some activities.

9.4.4 Proposed change to a common approach for mileage rates and the recovery of any other travel costs

MPI proposes to amend various regulations to provide for cost recovery of motor vehicle costs at the rate promulgated from time to time by the Commissioner of Inland Revenue under section DE 12 (3) of the Income Tax Act 2007.

This proposal would apply to the travel costs for veterinary inspectors only in the Biosecurity (Costs) Regulations 2010.

This proposal will support efficiency and equity.

³¹ <http://www.ird.govt.nz/technical-tax/op-statements/os-review-mileage-rate-2014.html>

9.4.5 Questions for consideration

Question 9.4

- 1) Do you agree with the proposal to harmonise vehicle mileage rates and other travel costs across the various cost recovery regimes?
- 2) Do you agree with the use of the mileage rate promulgated from time to time by the Commissioner of Inland Revenue under section DE12(3) of the Income Tax Act 2007?
- 3) If not, what is your preferred approach to mileage rates for each cost recovery regime, and what are your reasons for these preferences?

9.5 COMMON#3 – RECOVER COSTS FOR SUPPORT STAFF INVOLVED IN SPECIALIST SERVICES

9.5.1 Background

Support staff members within the Ministry perform essential but non-specialist services that support the delivery of specialist certification. This includes the maintenance and administration of registers and the preparation and filing of documents.

MPI is able to recover costs for these services, but no mechanism currently exists in the various regulations to do this.

9.5.2 Regimes affected by this proposal

This change would apply to the following regulations:

- Biosecurity (Costs) Regulations 2010;
- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.5.3 Problem definition

By way of example, as part of the process for issuing live animal and germplasm export certificates, MPI support staff prepare paper export certificates that are issued by recognised persons. This practice is more cost-effective than using specialist recognised persons, and allows recognised persons to focus on technical matters instead of administration.

Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 does not include a provision for MPI to recover the costs of non-recognised persons involved in specialist functions and activities necessary for the export of live animals or germplasm. Consequently, MPI cannot fully recover the cost of these services.

This problem could be resolved by only using expert staff whose time can be cost-recovered for undertaking this work, but this is a very inefficient use of their time. Another option would be to build administration time into levies, but this does not apportion the costs as directly as a fee to that person or group who caused the costs to be incurred.

A similar problem exists for other cost recovery regimes.

9.5.4 Proposed charges for support staff involved in export certification

MPI proposes to create a new cost recovery item in each of the relevant regulations to allow MPI to recover for time spent by other employees undertaking functions and activities necessary for the production of certificates or provision of expert services.

9.5.5 Questions for consideration

Question 9.5

- 1) What is your preferred method for cost recovery of support staff time across the various cost recovery regimes?
- 2) If you prefer different methods for individual cost recovery regimes, what are these methods and what are your reasons for these preferences?

9.6 COMMON#4 – RECOVER OTHER COSTS INCURRED BY MPI

9.6.1 Background

Other costs include incidental and additional costs that the Ministry incurs during the delivery of services to users. These costs are often unpredictable and vary depending on the nature of the service provided.

These costs include categories such as external review, expert review, notification, product testing, travel and accommodation, as well as disbursements such as photocopying, printing and stationery, phone, fax, video conferencing, postage and courier charges.

9.6.2 Problem definition

Inconsistent regulatory approaches add administrative complexity, particularly for staff that work across multiple regimes.

9.6.3 Proposed charges for support staff involved in export certification

MPI proposes that actual and reasonable costs incurred by an officer or employee of the Ministry may be recovered when they arise from:

- a request by the operator of a risk management programme, or other processor;
- an act, or omission, of an operator or processor.

MPI proposes that recoverable costs include, but not be limited to, costs such as external review, expert review, notification, product testing, travel and accommodation, as well as disbursements such as photocopying, printing and stationery, phone, fax, video conferencing, postage and courier charges.

MPI proposes that a common approach for recovering other costs be applied to the following regulations, with any necessary modifications:

- Biosecurity (Costs) Regulations 2010;
- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.6.4 Questions for consideration

Question 9.6

What is your preferred approach for the recovery of incidental costs incurred by the Ministry for delivery of services to users for each cost recovery regime (or for all cost recovery regimes)?

9.7 COMMON#5 – CHARGE FOR PERFORMANCE OF FUNCTION, POWER OR DUTY UNDER THE ACT, REGULATIONS AND NOTICES NOT PRESCRIBED ELSEWHERE

9.7.1 Background

MPI provides a range of functions, powers and duties under various Acts, and subsidiary regulations and notices and standards. The various cost recovery regulations prescribe fees, charges and levies for specific functions, powers or duties under the relevant Act, regulations and notices.

Item 23 of the Schedule of the Biosecurity (Costs) Regulations 2010 enables MPI to recover the costs of performing a function, power, or duty—

- required to be undertaken under the Act or regulations made under the Act; and
- not prescribed elsewhere in the Schedule.

The item is payable as an hourly rate for each adviser involved and is payable by the person whose actions resulted in the specific function, power or duty being required.

The Ministry is proposing to adopt this approach for other cost recovery regimes.

9.7.2 Problem definition

The Ministry currently cannot charge for the exercise of functions, powers or duties under Acts, regulations and notices unless they are prescribed for that regime.

It is not practical or possible to specify all of MPI's functions, powers or duties under all Acts and subsidiary regulations and notices, or the associated fees or charges for them, in an exhaustive manner. There are two main reasons:

- The Ministry was not aware of the function, power or duty when the regulations were promulgated.
- The function, power or duty under the Acts, and subsidiary regulations and notices is new. For example, halal-related services were not included in the Animal Product (Fees, Charges, and Levies) Regulations 2007, and were subsequently added by the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013.

MPI's inability to recover costs for the exercise of functions, powers or duties under the Acts and subsidiary regulations and notices is causing it to under-recover the cost of delivering these services.

9.7.3 Proposed fees for performance of function, power or duty under the Act, Regulations and Notices not prescribed elsewhere

The Ministry proposes to include cost recovery for performance of a function, power or duty that is:

- required to be undertaken under the relevant Act, including subsidiary regulations and notices;
- not prescribed elsewhere in the relevant cost recovery regulations.

The hourly rate would be the relevant rate for other services provided under the empowering Act. MPI proposes that this approach be applied to the following regulations, with any necessary modifications:

- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

The item would be payable by the person whose actions resulted in the specific function, power or duty being required.

This proposal would support equitable cost recovery and efficient service delivery.

9.7.4 Questions for consideration

Question 9.7

What is your preferred method of cost recovery for time spent performing functions, powers or duties not specified elsewhere for each cost recovery regime (or for all cost recovery regimes)?

9.8 COMMON#6 – CORRECT USE OF THE TERM ‘LEVY’

9.8.1 Background

MPI imposes levies on some products to fund industry good services. For historic reasons, when some cost recovery regulations were created, certain charges (industry goods) were described in regulations as ‘standard’ charges, when from a legal perspective these are actually levies.

9.8.2 Regimes affected by this proposal

This change would affect the:

- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Wine Regulations 2006.

9.8.3 Problem definition

The regulations inappropriately describe certain cost recovery items as ‘fees’ and ‘charges’ when, in law, they are ‘levies’.

The options are:

- Option 1: maintain the status quo;

- Option 2: update the descriptions.

The Ministry's preferred approach is to update the descriptions to remove ambiguity and clarify the application of the various types of charges.

9.8.4 Proposed re-categorisation of fixed fees as levies

MPI proposes to change the terminology used for items recovering industry good costs in the various regulations from 'fees' or 'charges' to the legally correct term 'levies'. This proposal involves no changes to fees.

9.8.5 Questions for consideration

Question 9.8

Do you have any concerns about the proposed clarification of use of the term 'levy'?

9.9 COMMON#7 – UPDATE REFERENCES TO RECOGNISED PERSONS AND AGENCIES

9.9.1 Background

The Agricultural Compounds and Veterinary Medicines Act 1997, Animal Products Act 1999, and Wine Act 2003 have been amended since the relevant cost recovery regulations were last reviewed.

9.9.2 Regimes affected by this proposal

This change would affect the:

- Animal Products (Fees, Charges, and Levies) Regulations 2007;
- Animal Products (Dairy Industry Fees and Charges) Regulations 2007;
- Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002;
- Animal Welfare Export Certificate Regulations 1999;
- Biosecurity (Costs) Regulations 2010;
- Wine Regulations 2006.

9.9.3 Problem definition

The references in regulations to the relevant parts of the Agricultural Compounds and Veterinary Medicines Act 1997, Animal Products Act 1999, and Wine Act 2003 relating to recognised persons and agencies are out of date.

9.9.4 Proposed amendments

MPI proposes to amend the cost recovery regulations to update the references to the relevant parts of the Agricultural Compounds and Veterinary Medicines Act 1997, Animal Products Act 1999, and Wine Act 2003 relating to recognised persons and agencies.

This is a minor and technical adjustment to cost recovery regulations to make changes to update the regulations. It involves no changes to fees.

9.9.5 Questions for consideration

Question 9.9

Do you have any concerns about the proposed updates to references to the Agricultural Compounds and Veterinary Medicines Act 1997, Animal Products Act 1999, and Wine Act 2003 in various regulations?

9.10 COMMON#8 – ALIGN VETERINARY PROFESSIONAL RATES ACROSS BIOSECURITY AND FOOD REGULATIONS

9.10.1 Background

MPI has a responsibility to service users to ensure that charges for similar activities and services across different regulations are consistent, and that the rationale for differential charging is clear.

9.10.2 Problem definition

Veterinary inspectors undertake a variety of activities and functions under biosecurity and food legislation.

Current hourly rates for veterinary inspector activities were set prior to the creation of MPI from its predecessor agencies. These predecessor agencies had different cost (including overhead) structures. As a result, veterinary inspectors undertaking similar work, but now with the same cost structure, are being recovered at different rates for activities undertaken under biosecurity and food legislation.

The options considered were:

- Option 1: maintain the status quo;
- Option 2: amend the veterinary inspector hourly rates in the Biosecurity (Costs) Regulations to align with that specified in the relevant food regulations (proposed rate of \$186.30 per hour).

9.10.3 Proposed charges

The proposal is to amend the veterinary inspector rate in the Biosecurity (Costs) Regulations to \$186.30 per hour to align with the rate proposed in the relevant food sector regulations.

9.10.4 Questions for consideration

Question 9.10

Do you have any concerns about the proposed alignment of charging rates for veterinarians under the biosecurity cost recovery regime and the food cost recovery regime?