



# Consultation Paper on Proposed Revisions to the Cost Recovery Regimes

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

Animal Products – Live animal and  
germplasm exports proposals and fee  
updates

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### Colour Key for Navigation

| <i>Sector</i>  | <i>Relevant sections</i> | <i>Colour</i> |
|--|--------------------------|---------------|
| Meat, Game, Bee Products, Seafood, Poultry and Eggs, Stores and Secondary Processors | 6B, 6C, 6D, 9            |               |
| Dairy  | 6E, 6D, 9                |               |
| Seafood  | 6B, 6C, 6D, 9            |               |
| Wine   | 8, 9                     |               |
| Importers and biosecurity facility operators   | 4, 9                     |               |
| Agricultural compound and veterinary medicine registrants and importers              | 4, 5, 9                  |               |
| Live animal exports  | 6A, 7, 9                 |               |

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| <b>6 Animal Products Act 1999 cost recovery</b>   | <b>59</b>   |
| <b><i>Part 6A – Live animal and germplasm exports</i></b>   | <b>59</b>   |
| 6.7 APA#1 – Change the method of charging for negotiating and maintaining market access for the live animal and germplasm sectors | 59          |
| 6.7.1 Background  | 59          |
| 6.7.2 Problem definition  | 60          |
| 6.7.3 Proposed fee for negotiating and maintaining market access for the live animal and germplasm sectors                        | 60          |
| 6.7.4 Questions for consideration   | 60          |
| 6.8 APA#2 – Incorporate the current waivers into the regulations  | 60          |
| 6.8.1 Background  | 60          |
| 6.8.2 Problem definition  | 61          |
| 6.8.3 Proposed maximum number of animals for which a fee is payable per live animal export consignment                            | 61          |
| 6.8.4 Questions for consideration   | 61          |
| 6.9 APA#3 – Charge for support staff who assist with issuing export certificates  | 61          |
| 6.9.1 Background  | 61          |
| 6.9.2 Problem definition  | 61          |
| 6.9.3 Proposal to charge for support staff that assist with issuing export certificates   | 62          |
| 6.9.4 Questions for consideration   | 62          |
| 6.10 APA#4 – Align one-hour minimum charge  | 62          |
| 6.10.1 Background   | 62          |
| 6.10.2 Problem definition   | 62          |
| 6.10.3 Proposed one-hour minimum charge, with additional time after one hour chargeable in 15-minute blocks                       | 62          |
| 6.10.4 Questions for consideration  | 62          |
| 6.11 APA#5 – Align hourly rates for the live animal and germplasm sectors   | 62          |
| 6.11.1 Background   | 62          |
| 6.11.2 Problem definition   | 63          |
| 6.11.3 Proposed updated hourly rates  | 63          |
| 6.11.4 Questions for consideration  | 63          |
| 6.37 <i>Appendix 1 – MPI Activities under the Animal Products Act</i>   | 104         |
| 6.37.1 New Zealand standards, specifications and guidance   | 104         |
| 6.37.2 Export standards and market access   | 104         |
| 6.37.3 Approvals and registrations  | 104         |
| 6.37.4 Monitoring and audit   | 104         |

|          |  |            |
|----------|--|------------|
| 6.37.5   | Operational response and investigations  | 105        |
| 6.37.6   | Enforcement  | 105        |
| 6.37.7   | Policy advice (including technical input)  | 105        |
| 6.38     | <i>Appendix 2 – MPI Verification Services Structure</i>  | 106        |
| 6.41     | <i>Appendix 5 – APA Non-dairy – Existing and proposed fees (non-dairy) under Animal Products Act 1999</i>                    | 118        |
| <b>9</b> | <b>Proposals that impact across multiple cost recovery regimes</b>   | <b>170</b> |
| 9.1      | Background   | 170        |
| 9.2      | Policy proposals   | 170        |
| 9.3      | Common#1 – Align hourly rate charges   | 170        |
| 9.3.1    | Background   | 170        |
| 9.3.2    | Regimes affected by this proposal  | 170        |
| 9.3.3    | Problem definition   | 171        |
| 9.3.4    | Proposed alignment of hourly rate charging approach in keeping with the animal products fees                                 | 171        |
| 9.3.5    | Questions for consideration  | 171        |
| 9.4      | Common#2 – Use Inland Revenue Department vehicle mileage rates   | 172        |
| 9.4.1    | Background   | 172        |
| 9.4.2    | Regimes affected by this proposal  | 172        |
| 9.4.3    | Problem definition   | 172        |
| 9.4.4    | Proposed change to a common approach for mileage rates and the recovery of any other travel costs                            | 172        |
| 9.4.5    | Questions for consideration  | 173        |
| 9.5      | Common#3 – Recover costs for support staff involved in specialist services   | 173        |
| 9.5.1    | Background   | 173        |
| 9.5.2    | Regimes affected by this proposal  | 173        |
| 9.5.3    | Problem definition   | 173        |
| 9.5.4    | Proposed charges for support staff involved in export certification  | 174        |
| 9.5.5    | Questions for consideration  | 174        |
| 9.6      | Common#4 – Recover other costs incurred by MPI   | 174        |
| 9.6.1    | Background   | 174        |
| 9.6.2    | Problem definition   | 174        |
| 9.6.3    | Proposed charges for support staff involved in export certification  | 174        |
| 9.6.4    | Questions for consideration  | 175        |
| 9.7      | Common#5 – Charge for performance of function, power or duty under the Act, Regulations and Notices not prescribed elsewhere | 175        |
| 9.7.1    | Background   | 175        |
| 9.7.2    | Problem definition   | 175        |

|        |  |     |
|--------|--|-----|
| 9.7.3  | Proposed fees for performance of function, power or duty under the Act, Regulations and Notices not prescribed elsewhere | 175 |
| 9.7.4  | Questions for consideration  | 176 |
| 9.8    | Common#6 – Correct use of the term ‘levy’  | 176 |
| 9.8.1  | Background   | 176 |
| 9.8.2  | Regimes affected by this proposal  | 176 |
| 9.8.3  | Problem definition   | 176 |
| 9.8.4  | Proposed re-categorisation of fixed fees as levies   | 177 |
| 9.8.5  | Questions for consideration  | 177 |
| 9.9    | Common#7 – Update references to recognised persons and agencies  | 177 |
| 9.9.1  | Background   | 177 |
| 9.9.2  | Regimes affected by this proposal  | 177 |
| 9.9.3  | Problem definition   | 177 |
| 9.9.4  | Proposed amendments  | 177 |
| 9.9.5  | Questions for consideration  | 178 |
| 9.10   | Common#8 – Align veterinary professional rates across biosecurity and food regulations                                   | 178 |
| 9.10.1 | Background   | 178 |
| 9.10.2 | Problem definition   | 178 |
| 9.10.3 | Proposed charges   | 178 |
| 9.10.4 | Questions for consideration  | 178 |



## **6 Animal Products Act 1999 cost recovery**

### ***Part 6A – Live animal and germplasm exports***

These proposals cover proposed changes to the cost recovery methods in Part 8 of the Animal Products (Fees, Charges, and Levies) Regulations 2007. Proposed changes to the current rates are set out in the Appendices to this section.

#### **6.7 APA#1 – CHANGE THE METHOD OF CHARGING FOR NEGOTIATING AND MAINTAINING MARKET ACCESS FOR THE LIVE ANIMAL AND GERMLASM SECTORS**

##### **6.7.1 Background**

MPI currently charges live animal or germplasm exporters using an hourly rate for services associated with negotiating new market access and maintaining market access under Part 8 of the Animal Products (Fees, Charges, and Levies) Regulations 2007.

Using an hourly rate charge for the live animals sector was adopted to encourage more efficient use of MPI's services by exporters. There are currently just under 400 export certificates in the live animal and germplasm sector. Maintenance of these certificates is an onerous task. The hourly rate charge for the live animals sector is intended to encourage the sector to maintain only those protocols that are in regular use.

Negotiating new market access and maintenance are regarded as industry/club goods. MPI's policy for other sectors receiving similar services is to recover the cost of these services through programme charges and levies imposed on all operators in the sector proportionate to output.

MPI's total expenditure for providing regulatory and assurance functions to the live animal and germplasm export sectors was \$1.090 million in 2013/14.

MPI's direct hourly rate charges for negotiating new market access and maintenance generated revenue of \$8,147 for 2013/14. Unit fees generated revenue of \$0.527 million for this period, covering all of the other regulatory and assurance services.

### **6.7.2 Problem definition**

New market access and maintenance services for the live animal and germplasm sectors are being charged differently from the way other exporting sectors are charged for these same services.

### **6.7.3 Proposed fee for negotiating and maintaining market access for the live animal and germplasm sectors**

MPI proposes to recover the costs of negotiating and maintaining market access as part of unit fees rather than hourly rate charges.

The costs of negotiating and maintaining market access would be incorporated into the unit fees in Part 8 of the Animal Products (Fees, Charges, and Levies) Regulations 2007. Hourly rate 3 would be revoked under this approach.

This would make the cost recovery approach for negotiating new market access and maintenance consistent with the treatment of other export sectors. It would also reduce the administrative costs associated with time recording and invoicing systems for hourly rate charging.

This option may, however, be less transparent than the present approach and its adoption may create a risk of cross-subsidisation between export sectors and operators. It could also undermine efficiency as it would not encourage exporters to consider the costs and benefits of requesting MPI assistance for negotiating new market access and maintenance, potentially leading to costs progressively increasing over time because of demand-driven activity.

Prioritisation of market access and maintenance could be a problem and MPI would need to work closely with all sectors to develop an appropriate response.

### **6.7.4 Questions for consideration**

#### **Question 6.7**

Do you prefer the current hourly rate charging approach to negotiating and maintaining market access or would you prefer that the fees be incorporated into the relevant unit charges?

## **6.8 APA#2 – INCORPORATE THE CURRENT WAIVERS INTO THE REGULATIONS**

### **6.8.1 Background**

MPI has issued seven individual waivers for unit fees for dog semen, queen bee attendants, fish eggs and larvae, non-commercial rodents for research and scientific purposes, non-commercial rodent embryos for research and scientific purposes, compost worms, birds other than wild-caught finches and wild-caught rosellas, and some consignments of livestock



exports. These waivers were issued in anticipation of their being incorporated into the regulations at the next review.

### 6.8.2 Problem definition

The waivers will be revoked when Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 are amended.

Options considered include:

- discontinuing the waivers;
- re-issuing the waivers;
- amending the current regulations.

### 6.8.3 Proposed maximum number of animals for which a fee is payable per live animal export consignment

The proposal is to amend Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 to:

- cap the per animal charge on livestock export consignments to a maximum of 5,000 animals;
- change the cats and dogs unit fee per semen straw to per semen consignment;
- amend the ‘bee packages (excluding queen and bumble bees) (per kilogram)’ category to bee packages (excluding bumble bees and including a queen bee if applicable) (per kilogram)’;
- amend the ‘queen bees and bumbles bees (other than packages) (per bee)’ category to ‘queen bee (including a small number of attendant bees) or bumble bees (per queen or bumble bee)’;
- amend the ‘other animals and animals germplasm not specified (per animal, egg or straw)’ category to ‘other animals and animals germplasm not specified (per consignment)’;
- cap the per bird (other than wild-caught finches and wild-caught rosellas) charge on consignments to a maximum of 30 birds.

### 6.8.4 Questions for consideration

#### Question 6.8

Do you agree with incorporating these waivers into the regulations?

## 6.9 APA#3 – CHARGE FOR SUPPORT STAFF WHO ASSIST WITH ISSUING EXPORT CERTIFICATES

### 6.9.1 Background

As part of the process for issuing live animal and germplasm export certificates, MPI support staff prepare the paper export certificates that are issued by recognised persons. This is more cost-effective than having this work undertaken by recognised persons, and enables the latter to focus on technical matters instead of administration.

### 6.9.2 Problem definition

***MPI can recover costs only for recognised persons that are involved in export certification and not support staff***

Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 does not currently allow 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 is under-recovering the cost of these services, which does not support efficiency or equitability.

### **6.9.3 Proposal to charge for support staff that assist with issuing export certificates**

MPI proposes to amend the wording of Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 hourly rate 1 by deleting the words ‘recognised persons’. This would allow MPI to recover for time spent by all staff directly involved in undertaking functions and activities necessary for the export of live animals or germplasm.

### **6.9.4 Questions for consideration**

#### **Question 6.9**

Do you agree with the proposed method of charging for support staff that assist in issuing export certificates?

## **6.10 APA#4 – ALIGN ONE-HOUR MINIMUM CHARGE**

### **6.10.1 Background**

The current hourly rate charges in Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 provide for MPI to charge in 15-minute increments.

### **6.10.2 Problem definition**

*Current hourly rates do not have a minimum charge*

Charging for less than one hour of time is administratively inefficient. The costs of generating an invoice and processing this are disproportionately high compared to the revenue that would be recovered.

### **6.10.3 Proposed one-hour minimum charge, with additional time after one hour chargeable in 15-minute blocks**

MPI proposes that the hourly rate charges in Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 have a one-hour minimum charge, with additional time after one hour chargeable in 15-minute blocks.

This proposal would align the charging approach for live animal export services with the charging approach taken in other cost-recovery areas under the Animal Products Act.

MPI would still be able to issue cost recovery waivers in appropriate cases or classes of cases.

### **6.10.4 Questions for consideration**

#### **Question 6.10**

What impact would a one-hour minimum charge for on-demand activities for the export of live animals or germplasm have on you or your business?

## **6.11 APA#5 – ALIGN HOURLY RATES FOR THE LIVE ANIMAL AND GERMPASM SECTORS**

### **6.11.1 Background**

Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 include hourly charges for:

- undertaking specialist functions and activities necessary for the export of live animals or germplasm;
- services on behalf of an exporter to negotiate with the importing country alternative measures for meeting access requirements for overseas markets;
- services on behalf of an exporter to negotiate new access requirements for overseas markets (except for exporters of cats and dogs).

### 6.11.2 Problem definition

#### *Different rates not efficient*

MPI has reviewed the current rates in Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007. The costs recovery calculations for the different services work out to similar rates. Having different rates for the same sector adds complexity and is not administratively efficient.

MPI has considered two options:

- Option 1: maintain status quo (two separate hourly rates);
- Option 2: combine the hourly rates to make them uniform.

### 6.11.3 Proposed updated hourly rates

MPI proposes aligning all hourly rate charges (1) and (2) in Part 8 of the Animal Product (Fees, Charges, and Levies) Regulations 2007 to \$186.30.

### 6.11.4 Questions for consideration

#### Question 6.11

Do you agree with the use of uniform rates for hourly charging of on-demand activities for the export of live animals or germplasm?

## **6.37 APPENDIX 1 – MPI ACTIVITIES UNDER THE ANIMAL PRODUCTS ACT**

### **6.37.1 New Zealand standards, specifications and guidance**

MPI activities in the area of setting standards include:

- setting New Zealand safety and suitability standards for food, pet food and other animal products for animal consumption;
- setting maximum residue limits;
- developing and implementing operational standards and guidance for industry;
- clarifying and interpreting standards or specifications;
- setting evaluation and verification requirements (and providing training and updates to recognised persons);
- contributing to the development of international standards;
- establishing import requirements;
- reviewing the effectiveness of standards.

### **6.37.2 Export standards and market access**

MPI activities in facilitating exports include:

- provision of technical policy advice to government policy makers;
- contributing to the development of international standards;
- negotiating technical market access conditions and specifications;
- providing certification and other assurance activities to meet international authority requirements;
- setting evaluation and verification requirements;
- provision of verification services (where these must be performed by government employees);
- administering the export eligibility system (E-Cert);
- overall review of industry export programmes.

### **6.37.3 Approvals and registrations**

MPI services in this area include:

- providing the services to regulated parties under the Act:
  - registration of risk management programmes (production systems and processes);
  - approval and recognition of agencies and persons, including third party verifiers (such as warrants for MPI, VA, and PHU staff);
  - registration of exporters.
- providing the administrative systems and processes for approvals, including evaluation and review;
- maintenance of associated public registers;
- suspension and removal of approvals and registrations.

### **6.37.4 Monitoring and audit**

MPI monitoring and audit work in this area includes:

- regularly collection and assessment of information to check compliance with regulatory requirements;
- general (national) monitoring programmes such as monitoring of the shellfish commercial harvest;
- random sampling and testing of products across all sectors;
- imported food monitoring programme;

- industry level monitoring programmes such as the National Chemical Contaminants Programme (dairy), and poultry residue monitoring;
- monitoring and assessing recognised agencies and persons;
- scheduled auditing of industry or business systems and processes;
- intervening when non-compliance is detected;
- dealing with inquiries and providing information to industry on compliance;
- trends analysis for compliance and non-compliance.

### **6.37.5 Operational response and investigations**

Our work in this area includes:

- responding to and investigating consumer complaints and reports of non-compliance;
- investigation of signals and information that indicate potential problems.

### **6.37.6 Enforcement**

MPI's main activities in the area of enforcement include:

- applying corrective actions in cases of non-compliance by containment or prevention of recurrence;
- imposing regulatory sanctions;
- initiating and/or managing product recalls and emergency responses;
- implementing standards relating to responses for the range of events that arise;
- providing systems and processes for emergency response;
- co-ordinating recalls of food (domestic and international) and other relevant products from the New Zealand market;
- preparing and taking prosecutions;
- ensuring a nationally consistent response.

### **6.37.7 Policy advice (including technical input)**

Our policy advice work includes:

- provision of technical policy advice to government policy makers;
- engagement, on behalf of New Zealand, with the Codex Alimentarius Commission and other multi-lateral forums.

## **6.38 APPENDIX 2 – MPI VERIFICATION SERVICES STRUCTURE**

MPI Verification Services plays a key role in the meat industry owing to the requirement by the EU and China for full-time veterinary supervision. Other markets like the United States also have requirements for government veterinarian presence with varying frequencies.

The MPI Verification Services directorate is led by a Director, supported by:

- an Operational Specialist Coordinator who provides coordination of MPIVS operational matters;
- an Agency Technical Manager who provides the overall leadership and direction in technical matters;
- six regional technical managers, each of whom is supported by a regional business coordinator and a regional technical specialist.

Teams operate in the following geographical areas (supported by the Wellington Head Office-based technical team):

- Upper North Island;
- Waikato and the Bay of Plenty;
- Manawatu, Taranaki and Wanganui;
- Hawkes Bay/Wellington;
- Canterbury and the West Coast; and
- Southland and Otago.



## 6.41 APPENDIX 5 – APA NON-DAIRY – EXISTING AND PROPOSED FEES (NON-DAIRY) UNDER ANIMAL PRODUCTS 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 Products (Fees, Charges, and Levies) Regulations 2007

#### Schedule 1 – Fees and charges

##### Part 1 – Schedule of fees

|                |   | Matter in respect of which fee payable under Animal Products Act 1999                | Fee   | Proposed Fee   | Comment                            |
|----------------|---|--|---|--|------------------------------------|
| 67<br>68<br>69 | 1 | Application under section 20 for registration of risk management programme           | \$122.00 plus assessment charge on hourly basis specified in Part 2 | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month.     | Common#1<br><br>Common#4           |
| 70<br>71<br>72 | 2 | Application under section 25 for agreement to amendment of risk management programme | \$122.00 plus assessment charge on hourly basis specified in Part 2 | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month.     | Common#1<br><br>Common#4           |
| 73<br>74<br>75 | 3 | Fee in relation to update of risk management programme under section 26              | \$122.00 plus assessment charge on hourly basis specified in Part 2 | - \$77.50, plus<br>- \$155 per hour after the first half hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month. | APA#12<br>Common#1<br><br>Common#4 |



|                |   | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>                         | <b>Fee</b>   | <b>Proposed Fee</b>  | <b>Comment</b>           |
|----------------|---|--|--|--|--------------------------|
| 76<br>77<br>78 | 4 | Application under section 34 for registration of food safety programme as risk management programme  | \$88.89 plus assessment charge on hourly basis specified in Part 2 in respect of assessing of conditions | <ul style="list-style-type: none"> <li>- \$102.27, plus</li> <li>- \$102.27 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 79<br>80<br>81 | 5 | Application under section 54 for registration as exporter  | \$122.00 plus assessment charge on hourly basis specified in Part 2                                      | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.    | Common#1<br><br>Common#4 |
| 82<br>83<br>84 | 6 | Application for approval of premises for export of products where required under export requirements | \$122.00 per hour in considering application, but excluding the first hour                               | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.    | Common#1<br><br>Common#4 |
| 85<br>86<br>87 | 7 | Annual exporter registration fee under section 57  | \$122.00 plus assessment charge on hourly basis specified in Part 2                                      | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.    | Common#1<br><br>Common#4 |
| 88<br>89<br>90 | 8 | Application under section 65G for listing as a game estate   | \$122.00 plus assessment charge on hourly basis specified in Part 2                                      | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.    | Common#1<br><br>Common#4 |
| 91<br>92<br>93 | 9 | Annual listing fee under section 65L   | \$122.00 plus assessment charge on hourly basis specified in Part 2                                      | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.    | Common#1<br><br>Common#4 |

|                   |    | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>                      | <b>Fee</b>  | <b>Proposed Fee</b>   | <b>Comment</b>           |
|-------------------|----|---|---|---|--------------------------|
| 94<br>95<br>96    | 10 | Application under section 75 for listing as homekill or recreational catch service provider       | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 97<br>98<br>99    | 11 | Annual listing fee under section 77   | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 100<br>101<br>102 | 12 | Application under section 102 for recognition or accreditation                                    | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 103<br>104<br>105 | 13 | Annual recognition or accreditation fee under section 108   | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 106<br>107<br>108 | 14 | Application for provision under section 111 of substituted notice of recognition or accreditation | \$35.56   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 109<br>110<br>111 | 15 | Issue of official assurance under section 61  | \$36.00   | <ul style="list-style-type: none"> <li>- \$32.00, plus</li> <li>- \$155 per hour after the 15 minutes, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.  | APA#11<br><br>Common#4   |

|                       |    | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>   | <b>Fee</b>  | <b>Proposed Fee</b>  | <b>Comment</b>               |
|-----------------------|----|--|---|--|------------------------------|
| 112<br>113<br><br>114 | 16 | Reissue of official assurance under section 64(2) if replacement insurance demanded by importing country   | \$366.22 per replacement certificate plus assessment charge on hourly basis specified in Part 2 for any hours exceeding 3 hours to a maximum of \$889, plus disbursements at cost | <ul style="list-style-type: none"> <li>- \$465.00, plus</li> <li>- \$155 per hour after the first three hours, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#10<br><br><br>Common#4   |
| 115                   | 17 | Issue, on request, of statement of New Zealand standard under section 83   | \$22.22   | \$32.00  | Updated rate                 |
| 116<br>117<br><br>118 | 18 | Registration of transport operator, vehicle docking facility operator, or wharf operator under notice issued under section 40  | \$122.00 plus assessment charge on hourly basis specified in Part 2   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.        | Common#1<br><br><br>Common#4 |
| 119<br>120<br><br>121 | 20 | Application to list animal material depot as required under notice issued under section 167 and renewal of listing   | \$122.00 plus assessment charge on hourly basis specified in Part 2   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.        | Common#1<br><br><br>Common#4 |
| 122<br>123<br><br>124 | 21 | Application for issue or revocation of relay permit for bivalve molluscan shellfish issued under Animal Products (Regulated Control Scheme – Bivalve Molluscan Shellfish) Regulations 2006 | \$122.00 plus assessment charge on hourly basis specified in Part 2   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.        | Common#1<br><br><br>Common#4 |
| 125<br>126<br><br>127 | 22 | Application for registration as bivalve molluscan shellfish harvest operator under Animal Products (Regulated Control Scheme – Bivalve Molluscan Shellfish) Regulations 2006               | \$122.00 plus assessment charge on hourly basis specified in Part 2   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month.        | Common#1<br><br><br>Common#4 |

|                   |    | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>  | <b>Fee</b>  | <b>Proposed Fee</b>   | <b>Comment</b>           |
|-------------------|----|---|---|---|--------------------------|
| 128<br>129<br>130 | 23 | Annual bivalve molluscan shellfish harvest operator fee   | \$122.00  | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 131<br>132<br>133 | 24 | Application to list or renew listing as transport operators, sorting shed operators, or depot operators required by notice made under Animal Products (Regulated Control Scheme – Bivalve Molluscan Shellfish) Regulations 2006 | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 134<br>135<br>136 | 26 | Application to register a limited processing vessel   | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 137<br>138<br>139 | 27 | Annual limited processing vessel registering fee  | \$122.00  | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 140<br>141<br>142 | 28 | Application for approval of MAF Devices (brands/seals) made under Animal Products (Export Requirements for Branding, Marking and Security Devices) Notice 2006 made under section 67  | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 143<br>144<br>145 | 29 | Application for recognition or accreditation under section 100  | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |

|                   |    | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>   | <b>Fee</b>  | <b>Proposed Fee</b>   | <b>Comment</b>           |
|-------------------|----|--|---|---|--------------------------|
| 146<br>147<br>148 | 30 | Application to be certified as either a certified supplier (wild animals) or a certified game estate supplier under Animal Products (Specifications for Products Intended for Human Consumption) Notice 2004 | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 149<br>150<br>151 | 31 | Application for listing as further (pet food) processor under Animal Products (Specifications for Products Intended for Animal Consumption) Notice 2006  | \$122.00 plus assessment charge on hourly basis specified in Part 2 | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | Common#1<br><br>Common#4 |
| 152<br>153<br>154 |    | Application to change a recognised agency on a risk management plan  |   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#6<br><br>Common#4    |
| 155<br>156<br>157 |    | Application to list as an approved halal premises under clause 10 (1) of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013  |   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4    |
| 158<br>159<br>160 |    | Issue of Official Assurance  |   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#10<br><br>Common#4   |
| 161<br>162<br>163 |    | Application to list as an approved halal organisations under clause 10 (4) of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013                                     |   | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4    |

|                   | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>   | <b>Fee</b> | <b>Proposed Fee</b>   | <b>Comment</b>        |
|-------------------|--|------------|---|-----------------------|
| 164<br>165<br>166 | Audit and inspection of approved halal organisations, halal assessment and approval personnel and issuing officers under clause  |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4 |
| 167<br>168<br>169 | Application for approving, renewing or revoking an issuing officers approval under clause 12 (1) (c) and (d) of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013   |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4 |
| 170<br>171<br>172 | Issue of halal official assurances or halal attestations on a sanitary official assurance for product to be exported to any one or more of the markets under clause 13 of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013 |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4 |
| 173<br>174<br>175 | Application for listing as a halal assessment and approval personnel and issuing officers; under clause 15 (4) of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013   |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4 |
| 176<br>177<br>178 | Application to list as a competent halal slaughter person under clause 21 (3) of the Animal Products (Overseas Market Access Requirements for Halal Assurances) Notice 2013.   |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#7<br><br>Common#4 |
| 179<br>180<br>181 | Applications for re-certification as either a certified supplier (wild animals) or a certified game estate supplier under Animal Products (Specifications for Products Intended for Human Consumption) Notice 2013.  |            | <ul style="list-style-type: none"> <li>- \$155.00, plus</li> <li>- \$155 per hour after the first hour, in 15-minute increments, plus</li> <li>- actual and reasonable costs</li> </ul> Payable by the applicant on application and any remainder payable within 1 month. | APA#8<br><br>Common#4 |

|                   |  | <b>Matter in respect of which fee payable under Animal Products Act 1999</b>   | <b>Fee</b> | <b>Proposed Fee</b>  | <b>Comment</b>               |
|-------------------|--|--|------------|--|------------------------------|
| 182<br>183<br>184 |  | Applications to re-list as a further pet food processor under clause 69E of the Animal Products (Specifications for Product Intended for Animal Consumption) Notice 2014.  |            | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month.     | APA#19<br><br>Common#4       |
| 185<br>186<br>187 |  | Inspection and audit under the Animal Products Act 1999  |            | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month.     | APA#12<br><br>Common#4       |
| 188<br>189<br>190 |  | Performance of a function, power or duty that is: <ul style="list-style-type: none"> <li>• required to be undertaken under the relevant Act, including subsidiary regulations and notices;</li> <li>• not prescribed elsewhere in the relevant cost recovery regulations.</li> </ul> |            | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month.     | Updated rate<br><br>Common#4 |
| 191<br>192<br>193 |  | Application for approval of a maintenance compound(s)  |            | - \$77.50, plus<br>- \$155 per hour after the first half hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month. | APA#13<br><br>Common#4       |

## Part 2 – Assessment charges on hourly basis

| Where Part 1 specifies an assessment charge on an hourly basis that charge is to be determined as follows for each hour (or final part-hour) beyond the first hour spent on assessing the matter concerned: |     |   |                 |  |          |
|---|-----|---|-----------------|--|----------|
| Category  |     |   | Fee             | Proposed Fee or charge   | Comment  |
| 194<br>195<br>196   | (a) | For each hour (excluding final part-hour) spent by an officer or employee of the Ministry<br>For each 15-minute block in final part-hour  | 122.00<br>30.50 | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month. | Common#4 |
| 197<br>198<br>199   | (b) | For each hour (excluding final part-hour) spent by a person engaged by the Ministry to assess the matter concerned who is not an officer or employee of the Ministry<br>For each 15-minute block in final part-hour | 133.33<br>33.33 | - \$155.00, plus<br>- \$155 per hour after the first hour, in 15-minute increments, plus<br>- actual and reasonable costs<br>Payable by the applicant on application and any remainder payable within 1 month. | Common#4 |

## Part 3 – Costs incurred by Ministry at request of operator, etc

|     | Current basis   | Proposed basis  | Comment: |
|-----|---|---|----------|
| 200 | Actual and reasonable expenses incurred by an officer or employee of the Ministry may be recovered by the Ministry where those expenses arise from:<br>(a) a request by the operator of a risk management programme, or other processor;<br>or<br>(b) an act or omission of an operator or processor. | Actual and reasonable costs incurred by an officer or employee of the Ministry may be recovered when they arise from:<br>- a request by the operator of a risk management programme, or other processor;<br>- an act or omission of an operator or processor.<br>Costs would 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. | Common#4 |



#### Part 4 – Travel costs

|     | Current basis   | Proposed basis   | Comment: |
|-----|---|--|----------|
| 201 | Where travel of a Ministry officer or employee is required for any of the matters specified in Parts 1, 2, 3, 7, and 8, an additional amount of \$0.69 per kilometre travelled by the officer or employee is payable in addition to the relevant fee or charge. | Rate published by the 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 |

#### Part 5 – Cost of other work-related allowances

|     | Current basis   | Proposed basis   | Comment: |
|-----|---|--|----------|
| 202 | Additional amounts are payable in respect of the actual and reasonable cost to the Ministry of work-related allowances paid to Ministry officers and employees where those are fairly attributable to any of the matters specified in Parts 1, 2, 3, 7, and 8.<br><br>Without limiting the generality of what constitutes a work-related allowance, these include matters such as meal allowances, clothing and laundry allowances, and field, standby, and isolation allowances. | Actual and reasonable costs associated with the activity being undertaken. | Common#4 |

## Part 6 – Charges for use of electronic certification system

|     | Current basis   | Proposed basis | Comment:            |
|-----|---|----------------|---------------------|
| 203 | <p>1 For industry users that access the Ministry's electronic certification system, charges based on the following formula are payable in respect of each database request and each second of time spent on the server:</p> <p style="padding-left: 40px;">(cost per request + cost per second) x appropriate percentage</p> <p>where –</p> <p><b>cost per request</b> is the amount fixed from time to time by the Director-General by notice under section 167(1)(ma) of the Animal Products Act 1999 for each database request, having regard to clause 4</p> <p><b>cost per second</b> is the amount fixed from time to time by the Director-General by notice under section 167(1)(ma) of the Animal Products Act 1999 for each second of time on the server, having regard to clause 4</p> <p><b>appropriate percentage</b> is –</p> <p>(b) for industry users of a class for which recognised agency use of the electronic certification system is not required, 55%:</p> <p>(d) for all other industry users, 100%.</p> |                | No changes proposed |
|     | <p>4 In setting any <b>cost per request</b> or <b>cost per second</b>, the aim is for these costs to reflect usage of the electronic certification system for the relevant year or other period, with regular updating if appropriate.</p>  |                | No changes proposed |
|     | <p>5 This Part applies to all users of the electronic certification system.</p>   |                | No changes proposed |

## Part 7 –Verification charges

| Current |   | Proposed charges | Comment:   |
|---------|---|------------------|--|
| Notes   |   |                  |  |
| 1       | The charges set out in this Part apply where any verification function under the Animal Products Act 1999 is carried out by an officer or employee of the Authority.  |                  |  |
| 2       | The charges set out in this Part are exclusive of goods and services tax, and goods and services tax on these charges will be added to the total invoice.   |                  |  |
| 3       | In this Part, –   |                  |  |
|         | <b>after-hours callout charges</b> refer to charges payable for hours where a veterinary or non-veterinary verifier performs verification functions at any place or premises outside normal agreed hours of work, and are chargeable for those hours in substitution for any establishment or circuit charges |                  |  |
|         | <b>Authority</b> means the New Zealand Food Safety Authority  |                  |  |
|         | <b>breakfast shift</b> refers to the situation where the verification functions carried out by a verifier in any day are commenced before 6 am  |                  |  |
| 204     | <b>circuit charges</b> refer to charges payable in respect of any place or premises where the verification functions are performed by Authority verifiers who are not permanently or semi-permanently based at the place or premises  |                  | APA#22<br>MPI proposes to enable Verification Services to recover the costs of non-verification functions and services it provides to operators. |
|         | <b>disestablishment charges</b> means the charges payable in respect of the disestablishment of the position of a veterinary verifier due to the closure of an operator's premises or the reduction of operations at those premises   |                  |  |
|         | <b>double time</b> refers to overtime hours worked by a verifier for which the verifier is entitled, by his or her employment contract, to double time rates  |                  |  |
|         | <b>establishment charges</b> refer to charges payable in respect of any place or premises where the verification functions are performed by Authority verifiers who are permanently or semi-permanently based at the place or premises  |                  |  |
| 205     | <b>non-veterinary verifier</b> means a verifier who is not a veterinarian registered under the Veterinarians Act 2005   |                  | APA#22<br>MPI proposes to remove the differentiation in the circuit charging regime between veterinarian and non- veterinarian verifiers.        |

|     | Current  | Proposed charges | Comment:  |
|-----|--|------------------|---|
|     | <b>penal rate 0.5</b> means the rate per hour of the first 3 hours of penal time worked by an employee during the period between—<br>(a) midnight at the end of Friday; and<br>(b) midday Saturday                                       |                  |   |
|     | <b>penal rate 1.0</b> means the rate for every hour of penal time worked by an employee other than hours to which penal rate 0.5 applies   |                  |   |
| 206 | <b>Penal rate 2.0</b> means the rate for every hour of penal time worked by an employee other than hours to which penal rate 0.5 and 1.0 applies   |                  | APA#23<br>MPI proposes to create a new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier. |
| 207 | <b>penal time</b> refers to hours worked by a verifier for which the verifier is entitled, by his or her contract of employment, to penal rates, being hours (other than overtime) worked within a 40-hour week from Monday to Sunday    |                  | APA#23<br>MPI proposes to amend the definition of penal time to refer to Monday to Sunday instead of the current Saturday, Sunday or statutory holidays.  |
|     | <b>reserve rate</b> refers to the rate for hours worked by a reserve verifier  |                  |   |
|     | <b>reserve verifier</b> means a temporary veterinary verifier or supervising veterinary verifier who undertakes the work of an establishment verifier while that verifier is on annual leave or is otherwise absent on a temporary basis |                  |   |
|     | <b>shift rates</b> refers to the rates applicable to the case where a verifier is entitled, by his or her employment contract, to extra remunerations for working shifts   |                  |   |
| 208 | <b>supervising veterinary verifier</b> means a veterinary verifier who has prime responsibility for the verification functions at a place or premises  |                  | APA#22<br>MPI proposes to remove the differentiation in the circuit charging regime between veterinarian and non-veterinarian verifiers.  |
|     | <b>time and a half</b> , or <b>1½ time</b> , refers to overtime hours worked by a verifier for which the verifier is entitled, by his or her employment contract, to time and a half rates   |                  |   |
| 209 | <b>veterinary verifier</b> means a verifier who is a veterinarian registered under the Veterinarians Act 2005.   |                  | APA#22<br>MPI proposes to remove the differentiation in the circuit charging regime between veterinarian and non-veterinarian verifiers.  |

|     |          | Current basis   | Current fee  | Proposed fee or charge | Comment:  |
|-----|----------|---|--|------------------------|---|
| 210 | <b>1</b> | <b>Establishment charge</b>   |  |                        |   |
|     | A        | <i>Basic hourly charge on export and game sectors</i>   |  |                        |   |
| 211 |          | For each hour normal time (but not penal time hours or 1½ or double time hours) spent by a verifier in verification functions | \$41.04  | \$44.90                | APA#18<br>Establish a combined basic charge rate for circuit and establishment.   |
| 212 | <b>B</b> | <i>Hourly charges for verifiers</i>   |  |                        | APA#18  |
|     | (1)      | Verifier  |  |                        | Remove the differentiation in the circuit charging regime between veterinarian and non-veterinarian verifiers.  |
| 213 |          | (a) non-shift rates –   |  |                        |   |
|     |          | per hour  | \$68.12  | \$70.30                |   |
| 214 |          | per hour at 1½ time   | \$82.61  | \$105.50               |   |
| 215 |          | per hour at double time   | \$110.15   | \$140.60               | APA#23<br>Create new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier. |
| 216 |          | (b) shift rates   | The relevant rate specified in paragraph (a), plus an additional rate of – |                        |   |
|     |          |   | (i) \$30.00 per shift per verifier for evening shift                       | \$41.00                |   |
| 217 |          |   | (ii) \$41.00 per shift per verifier for night shift                        | \$41.00                |   |

|     |     | Current basis           | Current fee  | Proposed fee or charge | Comment:  |
|-----|-----|-------------------------|--|------------------------|---|
| 218 |     | (c) penal rates         | The relevant rate specified in paragraph (a), plus an additional rate of – |                        | APA#23<br>Create a new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier. |
| 219 |     |                         | (i) \$27.54 per hour per verifier for penal time worked at penal rate 0.5  | \$35.20                |   |
| 220 |     |                         | (ii) \$55.07 per hour per verifier for penal time worked at penal rate 1.0 | \$70.30                |   |
| 221 |     | (d) reserve rate        | (iii) Penal time worked at penal rate 2.0                                  | \$140.60               | APA#23<br>Create new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier.   |
|     |     |                         | \$55.07 per hour for each hour worked by a reserve verifier                | \$70.30                |   |
| 222 | (2) | Supervising verifier –  |  |                        | APA#18  |
| 223 |     | (a) non-shift rates –   |  |                        |   |
| 224 |     | per hour                | \$72.50  | \$75.10                |   |
|     |     | per hour at 1½ time     | \$89.18  | \$112.60               |   |
|     |     | per hour at double time | \$118.91   | \$150.20               |   |
| 225 |     | (b) shift rates         | The relevant rate specified in paragraph (a), plus an additional rate of – |                        |   |
|     |     |                         | (i) \$30.00 per shift per verifier for evening shift                       | \$41.00                |   |
| 226 |     |                         | (ii) \$41.00 per shift per verifier for night shift                        | \$41.00                |   |

|     |   | Current basis   | Current fee  | Proposed fee or charge | Comment:  |
|-----|---|---|--|------------------------|---|
| 227 |   | (c) penal rates   | The relevant rate specified in paragraph (a), plus an additional rate of –                               |                        | APA#23<br>Create new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier.   |
| 228 |   |   | (i) \$29.73 per hour per verifier for penal time worked at penal rate 0.5                                | \$37.60                |   |
| 229 |   |   | (ii) \$59.46 per hour per verifier for penal time worked at penal rate 1.0                               | \$75.10                |   |
| 230 |   | (d) reserve rate  | (iii) Penal time worked at penal rate 2.0<br>\$59.46 per hour for each hour worked by a reserve verifier | \$150.20<br>\$75.10    |   |
|     | 2 | <b>Circuit charge</b>   |  |                        |   |
|     | A | <i>Basic hourly charge on primary processors who slaughter or dress animals other than fish</i>   |  |                        |   |
| 231 |   | Charge for each hour spent by a verifier in verification function for animals other than fish   | \$20.97 per hour   | \$44.90                | APA#18<br>Establish a combined basic charge rate for circuit and establishment.   |
|     | B | <i>Basic hourly charge on secondary processors (other than processors of fish and operators of coolstores or other storage premises)</i>  |  |                        |   |
| 232 |   | Charge for each hour spent by a verifier in verification function   | \$20.97 per hour   | \$44.90                |   |
| 233 | C | <i>Annual charge for coolstores or other storage premises, and for processors of fish</i><br>(to be pro-rated on a monthly basis where verification contract for less than a full year) |  |                        | APA#21<br>Annual charge for the coolstores, dry stores, shellfish and wetfish sectors removed from Part 7 of the Animal Products (Fees, Charges, and Levies) Regulations 2007. These sectors would instead be invoiced at the basic rate instead. |
| 234 |   | (a) coolstores or other storage premises, per coolstore or other premises   | \$1,100 per annum  |                        |   |
| 235 |   | (b) primary processing (including on a fishing vessel) of fish other than bivalve molluscan shellfish   | \$549.00 per annum   |                        |   |
|     |   | (c) processors of bivalve molluscan shellfish   | \$1,547.00   |                        |   |

|     |     | Current basis  | Current fee  | Proposed fee or charge | Comment:  |
|-----|-----|--|--|------------------------|---|
| 236 | D   | <i>Monthly charge for fishing vessels</i><br>Charge per vessel (in addition to any relevant charge under item C) | \$20.35  |                        |   |
| 237 | E   | <i>Hourly charges for verifiers</i><br>(for all verification activities)   |  |                        | APA#18  |
| 238 | (1) | Verifier –   |  |                        | APA#23<br>Create new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier.<br><br>New penal rate 2.0 |
| 239 |     | (a) Non-penal rates –  |  |                        |   |
| 240 |     | per hour (excluding seafood and coolstore premises)  | \$93.04  | \$120.10               |   |
| 241 |     | per hour for seafood and coostore premises   | \$93.04  | \$120.10               |   |
| 242 |     | per hour at 1½ time  | \$128.85   | \$180.10               |   |
| 243 |     | per hour at double time  | \$171.80   | \$240.10               |   |
| 244 |     | (b) Penal rates –  |  |                        |   |
|     |     |  | The relevant rate specified in paragraph (a), plus an additional rate of – |                        |   |
|     |     | (i) \$57.00 per hour per verifier for penal time worked at penal rate 0.5  |  | \$60.10                |   |
|     |     | (ii) \$85.90 per hour per verifier for penal time worked at penal rate 1.0                                       |  | \$120.10               |   |
|     |     | (iii) Penal rate 2.0   |  | \$240.20               |   |
| 245 | (2) | Veterinary verifier –  |  |                        | APA#22<br>Remove the differentiation in the circuit charging regime between veterinarian and non-veterinarian verifiers.  |
| 246 |     | (a) Non-penal rates –  |  |                        |   |
| 247 |     | per hour (excluding seafood and coolstore premises)  | \$93.04  | \$120.10               |   |
| 248 |     | per hour for seafood and coostore premises   | \$93.04  | \$120.10               |   |
|     |     | per hour at 1½ time  | \$128.85   | \$180.10               |   |
|     |     | per hour at double time  | \$171.80   | \$240.10               |   |



|     |        | Current basis   | Current fee  | Proposed fee or charge  | Comment:  |
|-----|--------|---|--|---|---|
| 249 |        | (b) Penal rates   | The relevant rate specified in paragraph (a), plus an additional rate of –   |   | APA#23<br>Create a new penal rate (2.0 x regular hourly rate) and insert new penal rates into the relevant penal rates for veterinary verifier and supervising veterinary verifier. |
| 250 |        |   | (i) \$57.00 per hour per verifier for penal time worked at penal rate 0.5  | \$60.10   |   |
| 251 |        |   | (ii) \$85.90 per hour per verifier for penal time worked at penal rate 1.0<br>(iii) Penal rate 2.0                 | \$120.10<br>\$240.20  |   |
| 252 | 3<br>A | <b>After-hours callout charge</b><br><i>Minimum charge</i><br>Minimum charge for any individual after-hours callout, however long | charge for 3 hours at the relevant rate under item B (plus flat rate \$8.70 breakfast shift charge, if applicable) |   | No change proposed.   |
| 253 |        |   |  |   |   |
| 254 | B      | Hourly charges for verifiers  |  |   |   |
| 255 |        | per hour  | \$75.00 (plus flat rate \$8.70 breakfast shift charge, if applicable)  | Relevant rate for MPI verifiers who attend, plus shift charge (if applicable) |   |
| 256 |        | per hour at 1½ time   | \$125.00 (plus flat rate \$8.70 breakfast shift charge, if applicable)   | Relevant rate for MPI verifiers who attend, plus shift charge (if applicable) |   |
| 257 |        |   |  |   |   |
| 258 |        | per hour at double time   | \$150.00 (plus flat rate \$8.70 breakfast shift charge, if applicable)   | Relevant rate for MPI verifiers who attend, plus shift charge (if applicable) |   |
| 259 |        |   |  |   |   |
|     | 4<br>A | <b>Disestablishment charges</b><br><i>Where verifier employed by operator for less than 12 months</i><br>Either –                 |  |   |   |

|  |   | Current basis   | Current fee | Proposed fee or charge | Comment:             |
|--|---|---|-------------|------------------------|----------------------|
| 260<br>261<br>262<br><br>263<br>264<br>265                                 |   | (a) the actual cost of transfer or relocation; or<br>(b) the actual cost of retraining; or<br>(c) the actual cost of the matters specified in paragraphs (a) and (b), if both are applicable; or<br>(d) the lesser of –<br>(i) the actual cost of redundancy; or<br>(ii) the amount derived by multiplying the total ordinary pay during the period employed by 0.04165 –<br>But in no case is the charge under paragraph (a), (b), (c), or (d) to exceed \$55,000.   |             |                        | No changes proposed. |
|  | B | <i>Where verifier employed by operator for 12 months or more</i><br>Either –  |             |                        |                      |
| 266<br>267<br>268<br><br>269<br>270<br><br><br><br><br><br><br><br><br>271 |   | (a) the actual cost of transfer or relocation; or<br>(b) the actual cost of retraining; or<br>(c) the actual cost of the matters specified in paragraphs (a) and (b), if both are applicable; or<br>(d) the lesser of –<br>(i) the actual cost of redundancy; or<br>(ii) the amount calculated using the following formula:<br>$(a \times 0.08) + (a \times 0.04)(b - 1) + (a \times c \times 0.0333) + (da)$<br>where<br>a is the verifier's total ordinary pay for the immediately preceding 12 months<br>b is the lesser of 19 or the number of completed years of employment with the operator<br>c is any completed months of employment in respect of an additional period of employment with the operator of less than 12 months<br>d is –<br>0.10 if the period of employment completed is 1 year or more but no more than 3 years<br>0.20 if the period of employment completed is more than 3 years but not more than 5 years<br>0.29165 if the period of employment completed is more than 5 years<br>But in no case is the charge under paragraph (a), (b), (c), or (d) to exceed \$55,000. |             |                        | No changes proposed. |

|     |  | Current basis | Current fee | Proposed fee or charge   | Comment: |
|-----|--|---------------|-------------|--|----------|
| 272 |  |               |             | <b>Establishment charges</b><br>Establishing a full-time Verification Services presence at an establishment. Recoverable costs (on an actual and reasonable basis) include, but are not limited to, the following: <ul style="list-style-type: none"> <li>(a) capital items, which include:               <ul style="list-style-type: none"> <li>(i) computer terminals, monitors and printers;</li> <li>(ii) office furniture and storage;</li> <li>(iii) phones;</li> <li>(iv) technical equipment.</li> </ul> </li> <li>(b) expenses, which include:               <ul style="list-style-type: none"> <li>(i) recruitment;</li> <li>(ii) costs associated with transfer or relocation;</li> <li>(iii) induction and training, including salary;</li> <li>(iv) new health and safety equipment;</li> <li>(v) new folders, stationery and lockable cupboards;</li> <li>(vi) inspection stamps, and reject and hold tags.</li> </ul> </li> </ul> |          |
| 273 |  |               |             |  |          |

## Part 8 – Unit charges, hourly rates, and callout charges in respect of export of live animals and animal germplasm

|            |  | Current basis  | Charge (\$) | Proposed basis and charge:  | Comment:  |
|------------|--|--|-------------|---|---|
|            |  | <b>Unit charges payable for each relevant unit to be exported</b>  |             |   |   |
|            |  | If an animal is a zoo animal and comes within the description of another animal, only the unit charge for the animal as a zoo animal is payable. |             |   |   |
| 274<br>275 |  | Cats and dogs (including semen)(per animal or straw)   | 33.33       | Per animal or semen consignment<br>\$104.94   | APA#2<br>Change the cats and dogs unit fee to per animal or semen straw.                                |
| 276        |  | Equine animals (per animal)  | 33.33       | \$29.63   |   |
| 277        |  | Equine semen (per straw)   | 1.51        | \$1.02  |   |
| 278        |  | Livestock (only bovine, caprine, corvine, ovine, and porcine)  | 3.69        | \$3.85  |   |
| 279        |  | Bovine semen (per straw)   | 0.06        | \$0.06  | APA#4<br>APA#2<br>Cap per animal charge on livestock export consignments to a maximum of 5,000 animals. |
| 280        |  | Caprine and ovine semen (per straw)  | 0.37        | \$0.06  | APA#4   |
| 281        |  | Cervine semen (per straw)  | 2.96        | \$0.06  | APA#4   |
| 282        |  | Embryos and ova (only equine, bovine, caprine, corvine, ovine) (per embryo or ovum)  | 2.96        | \$0.06  | APA#4<br>Remove equine embryos and ova from this category.  |
| 283        |  | Day-old chicks and hatching eggs (only poultry and ducklings) (per chick or egg)   | 0.0023      | \$0.01  |   |
| 284        |  | Bees packages (excluding queens and bumble bees) (per kilogram)  | 0.35        | \$0.04  | APA#2   |
| 285<br>286 |  | Queen bees and bumble bees (other than packages) (per bee)   | 0.23        | Queen bee (including a small number of attendant bees) or bumble bees (per queen or bumble bee)<br>\$0.31 | APA#2<br>Amend the ‘queen bees and bumbles bees (other than packages) (per bee)’ category.              |
| 287        |  | Ferrets (per animal)   | 1.87        | \$1.32  |   |
| 288        |  | Lamoids (per animal)   | 29.14       | \$50.78   |   |

|     |     | Current basis  | Charge (\$) | Proposed basis and charge:   | Comment:   |
|-----|-----|--|-------------|--|--|
| 289 |     | Birds (other than wild caught finches and wild caught rosellas) (per bird)   | 23.87       | \$38.00  | APA#2<br>Cap per bird (other than wild-caught finches and wild-caught rosellas) charge on consignments to a maximum of 30 birds. |
| 290 |     | Finches (wild caught) and rosellas (wild caught) (per bird)  | 0.26        | \$0.27   |  |
| 291 |     | Zoo animals (per animal)   | 33.33       | \$104.94   |  |
| 292 |     | Other animals and animal germplasm not specified above (per animal, egg, or straw)   | 8.80        | Other animals and animals germplasm not specified (per consignment).<br>\$104.94   | APA#2<br>Amend the 'other animals and animals' germplasm not specified (per animal, egg or straw)' category.                     |
| 293 |     |  |             |  |  |
|     |     | <b>Hourly rates</b>  |             |  |  |
| 294 | (1) | Hourly rate for recognised persons who are employees of the Ministry undertaking specialist functions and activities necessary for the export of live animals or germplasm:                                      |             | Hourly rate for persons who are employees of the Ministry undertaking specialist functions and activities necessary for the export of live animals or germplasm: | APA#3<br>Delete the word 'recognised' from 'recognised persons'.   |
| 295 |     | (a) for each complete hour   | 88.87       | - \$186.30, plus   |  |
| 296 |     | (b) for each 15-minute block in a part-hour  | 22.22       | - \$186.30 per hour after the first hour, charged in 15-minute increments  | APA#4<br>APA#5   |
| 297 | (2) | Hourly rate for services undertaken by an employee of the Ministry, on behalf of an exporter, to negotiate with the importing country alternative measures for meeting access requirements for overseas markets: | 121.98      | - \$186.30, plus   | APA#4<br>APA#5   |
| 298 |     | (a) for each complete hour   | 30.50       | - \$186.30 per hour after the first hour, charged in 15-minute increments  | One-hour minimum charge, with additional time after one hour chargeable in 15-minute blocks.                                     |
|     |     | (b) for each 15-minute block in a part-hour  |             |  |  |
| 299 | (3) | Hourly rate for services undertaken by an employee of the Ministry, on behalf of an exporter, to negotiate new access requirements for overseas markets (except for exporters of cats and dogs)                  | 121.98      |  | APA#1  |
| 300 |     | (a) for each complete hour   | 30.50       |  | Recover the costs of negotiating and maintaining market access as part of unit fees rather than hourly rate fees.                |
|     |     | (b) for each 15-minute block in a part-hour  |             |  |  |

|            |     | Current basis   | Charge (\$)   | Proposed basis and charge:  | Comment:       |
|------------|-----|---|---|---|----------------|
|            |     | <b>Callout charges</b><br>Callout charges for recognised persons who are employees of the Ministry undertaking specialist functions and activities at any place or premises outside normal agreed hours of work and necessary for the export of live animals or germplasm |   |   |                |
| 301        | (a) | where an employee is entitled, by his or her contract of employment, to time and a half rates   | 112.92 per hour or part of an hour  | \$252.17 per hour or part of an hour  | Updated rate.  |
| 302        | (b) | where an employee is entitled, by his or her contract of employment, to double time rates   | 136.97 per hour or part of an hour  | \$318.04 per hour or part of an hour  | Updated rate.  |
| 303<br>304 | (c) | where an employee works on a public holiday within the meaning of the Holidays Act 2003   | 384.62 per day or part of a day, plus<br>136.97 for each hour or part of an hour worked | \$845.13 per day or part of a day, plus<br>\$211.28 per hour or part of an hour | Updated rates. |

## Schedule 2 – Levies

1. The levies set out in this schedule are payable by –
  - (a) operators of risk management programmes in respect of operations under the programme;
  - (b) operators of hides and skins export approved premises;
  - (c) operators of fishing vessels who are operating under –
    - (i) a risk management programme and who undertake primary processing of fish and bivalve molluscan shellfish; or
    - (ii) the regulated control scheme set out in the Animal Products (Regulated Control Scheme – Limited Processing Fishing Vessels) Regulations 2001
2. The levies set out in this schedule are payable irrespective of who performs any verification or other function in relation to the processing operations.
3. The levies per head set out in clause 1 are exclusive of goods and services tax, and goods and services tax on those levies will be added to the total invoice.

|            | Current basis |   |  |  | Proposed basis and charge:  | Comment:  |
|------------|---------------|---|--|--|---|---|
| 305        | 1             | Levies per head where animals slaughtered and dressed<br><br>The following levies are payable by the operators (not being homekill or recreational catch service providers) of premises or places where the animals specified are slaughtered and dressed, on the basis of the number of animals slaughtered and dressed: |  |  |   | The Meat Industry Association (MIA) has provisionally suggested ( <b>prior</b> to seeing the proposed schedule of fees below) that any revised levy could include a further Industry Innovation Fund component of up to 1.5c per lamb equivalent for lambs, sheep, bobby calves and cattle, additional to the 1c per lamb equivalent that is presently used for research supported by that Fund. The 1.5c per lamb equivalent would be additional to the base levy proposed.<br><br>Rates based on these proposals are shown below.<br><br>MIA and MPI are seeking feedback (concept and level) on this proposal as part of the overall consultation process. |
|            |               |   | Operators that process wholly or partly for export | Operators that process only for consumption within New Zealand | Process wholly or partly for export <sup>1</sup> / Process only for consumption within New Zealand* |   |
| 306<br>307 |               | Lambs, bobby calves, goats  | \$0.10 per head                                    | \$0.03 per head  | \$0.12 <sup>1</sup> per head<br>\$0.04* per head  | \$0.135 <sup>1</sup> (excluding goats) with MIA levy  |
| 308<br>309 |               | Sheep   | \$0.11 per head                                    | \$0.03 per head  | \$0.14 <sup>1</sup> per head<br>\$0.04* per head  | \$0.157 <sup>1</sup> with MIA levy  |
| 310<br>311 |               | Pigs  | \$0.24 per head                                    | \$0.08 per head  | \$0.31 <sup>1</sup> per head<br>\$0.09* per head  | As proposed by MPI  |

|            |   | Current basis   |                     |   | Proposed basis and charge:   | Comment:                           |
|------------|---|---|---------------------|---|--|------------------------------------|
| 312<br>313 |   | Cattle, horses  | \$0.76 per head     | \$0.21 per head   | \$0.86 <sup>1</sup> per head<br>\$0.25* per head   | \$0.974 <sup>1</sup> with MIA levy |
| 314<br>315 |   | Deer  | \$0.86 per head     | \$0.10 per head   | \$1.57 <sup>1</sup> per head<br>\$0.19* per head   | As proposed by MPI                 |
| 316<br>317 |   | Ostriches, emus   | \$6.54 per head     | \$1.02 per head   | \$22.00 <sup>1</sup> per head<br>\$3.50* per head  | As proposed by MPI                 |
| 318<br>319 |   | Poultry   | \$0.004399 per bird | \$0.00255 per bird  | \$0.061338 <sup>1</sup> per bird<br>\$0.003925* per bird   | As proposed by MPI                 |
| 320<br>321 |   | Other species (other than fish)   | \$0.20 per head     | \$0.20 per head   | \$0.27 <sup>1</sup> per head<br>\$0.27* per head   | As proposed by MPI                 |
|            | 2 | <i>Annual levies for fish</i><br>The following levies are payable on the basis of greenweight tonnage of fish or bivalve molluscan shellfish processed on the fishing vessel: |                     |   |  |                                    |
| 322        |   | (a) primary processors of fish other than bivalve molluscan shellfish   |                     | \$0.42 per tonne of fish<br>(a) processed on a fishing vessel that are –<br>(i) filleted at sea for consumption in New Zealand; or<br>(ii) otherwise processed at sea for consumption in New Zealand and that are not delivered to an onshore primary processor (except for the purposes of storage or transport); or | \$0.20 per tonne of fish<br>(a) processed on a fishing vessel that are –<br>(iii)filleted at sea for consumption in New Zealand; or<br>(iv) otherwise processed at sea for consumption in New Zealand and that are not delivered to an onshore primary processor (except for the purposes of storage or transport); or<br>(b) processed by an onshore processor except for fish that are –<br>(c) filleted at sea for consumption in New Zealand; or<br>otherwise processed at sea for consumption in New Zealand and that are only transported or stored by the onshore processor; or |                                    |



| Current basis |  |  |   | Proposed basis and charge:   | Comment: |
|---------------|--|--|---|--|----------|
|               |  |  | (b) processed by an onshore processor except for fish that are –<br>(i) filleted at sea for consumption in New Zealand; or<br>(ii) otherwise processed at sea for consumption in New Zealand and that are only transported or stored by the onshore processor; or   |  |          |
| 323           |  |  | \$0.82 per tonne of fish<br>(a) processed on a fishing vessel that are –<br>(i) filleted at sea for export; or<br>(ii) otherwise processed at sea for the purposes of export and are not delivered to an onshore primary processor (except for the purposes of storage or transport); or<br>(b) processed by an onshore processor | \$0.50 per tonne of fish<br>(a) processed on a fishing vessel that are –<br>(iii) filleted at sea for export; or<br>(iv) otherwise processed at sea for the purposes of export and are not delivered to an onshore primary processor (except for the purposes of storage or transport); or<br>(b) processed by an onshore processor except for fish that are –<br>(iii) filleted at sea for consumption in New Zealand; or<br>otherwise processed at sea for the purposes of export and that are only transported or stored by the onshore processor |          |

| Current basis |   |  |                  |  | Proposed basis and charge:   | Comment: |
|---------------|---|--|------------------|--|--|----------|
|               |   |  |                  | except for fish that are –<br>(i) filleted at sea for consumption in New Zealand;<br>or<br>(ii) otherwise processed at sea for the purposes of export and that are only transported or stored by the onshore processor |  |          |
| 324           |   | (b) primary processors of bivalve molluscan shellfish  |                  | \$3.88 per tonne of bivalve molluscan shellfish processed (if an operator processes only for consumption in New Zealand); or   | \$1.50 per tonne of bivalve molluscan shellfish processed (if an operator processes only for consumption in New Zealand); or |          |
| 325           |   |  |                  | \$5.65 per tonne of bivalve molluscan shellfish processed (if an operator processes wholly or partly for export)   | \$2.90 per tonne of bivalve molluscan shellfish processed (if an operator processes wholly or partly for export)             |          |
| 326           | 3 | <i>Annual levy for coolstores and other storage premises</i><br>Operator of a coolstore or other storage premises, per coolstore or other premises |                  | \$190 per annum  | \$207.30 per annum   |          |
|               | 5 | <i>Annual levy for primary or secondary animal processing premises or places that do not include animal slaughter</i>                              |                  |  | <b>Process wholly or partly for export /<br/>Process only for consumption within New Zealand</b>                             |          |
| 327           |   | (a) annual levy for bee products   | \$258 per annum* | \$577.50 per annum <sup>1</sup>  | \$471.80* per annum  |          |
| 328           |   |  |                  |  | \$1005.70 <sup>1</sup> per annum   |          |

| Current basis  |   |   |                                      | Proposed basis and charge:                               | Comment:  |
|--|---|---|--------------------------------------|--|---|
| 329  | (b)   | annual levy for egg products  | \$191 per annum for all processors   | \$527.30 per annum for all processors                    |   |
| 330<br>331   | (c)   | annual levy for animal feed products  | \$326 per annum*                     | \$769 per annum <sup>1</sup>                             | \$684.10* per annum<br>\$769.60 <sup>1</sup> per annum  |
| 332  | (d)   | annual levy for dual operator butchers  | \$222 per annum for all processors   | \$256.50 per annum for all processors                    |   |
| 333<br>334   | (e)   | annual levy for renderers   | \$264 per annum*                     | \$1,252 per annum <sup>1</sup>                           | \$132.80* per annum<br>\$559.70 <sup>1</sup> per annum  |
| 335  | (f)   | annual levy for export of animal products – non-consumption   | \$71.11 per annum for all processors | \$136.00 per annum for all processors                    |   |
| 336<br>337   | (g)   | annual levy for primary or secondary processors (processing animal material or animal product not covered under paragraph (a) to (f)) | \$848 per annum*                     | \$1,054 per annum <sup>1</sup>                           | \$710.10* per annum<br>\$784.50 <sup>1</sup> per annum  |
| * Operators that process only for consumption within New Zealand<br><sup>1</sup> Operators that process wholly or partly for export. |   |   |                                      |  |   |
| 338  | Levy on listed, or re-listed, homekill and recreational catch service providers |   |                                      | \$100 per year on application for listing or re-listing. | APA#14<br>Annual levy for listed, or re-listed, homekill and recreational catch service providers under section 76 of the Animal Products Act 1999. |

## 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 rate<sup>31</sup> 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.

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<sup>31</sup> <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?