



To: Ministry for Primary Industries  
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**Submission on: Proposals to improve cost recovery in MPI's food system**

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# Submission on: Proposals to improve cost recovery in MPI's food system

## 1. Introduction

- 1.1 Agcarm welcomes the opportunity to comment on the discussion document 'Proposal to improve cost recovery in MPI's food system'. Agcarm's primary focus is on the charges related to MPI's activities undertaken via the ACVM Act.
- 1.2 Overall, we are supportive of the changes that MPI are proposing to charges that directly affect our members. Our involvement throughout the MPI consultation process via the Industry Reference Group has enabled Agcarm to contribute to the policy considerations around the proposals. Thus, we are in a position where we are understanding of the changes, and hence can provide our general support.
- 1.3 In relation to the proposed changes, we offer feedback as below.

## 2. General comments

- 2.1 As per prior submissions on cost recovery Agcarm's perspective is that any proposal must reflect a framework outlining an efficient and measurable cost recovery regime that is acceptable to industry. A key part of the framework is that the charges are justifiable, measurable and transparent. In addition, MPI must also be meeting set performance criteria.
- 2.2. Agcarm's perspective is that MPI has generally achieved this within its proposals to improve cost recovery. We welcome the engagement with MPI, and thank them for taking our views into consideration during the development phase. However, it is important that MPI continues to engage with industry in the future to ensure that any performance gains are maintained.

### Feedback on Proposal 2 – p.18

- 2.3 As indicated in the document, the existing fee is considered no longer appropriate due to recent changes in internal process, with a higher emphasis at the screening phase. The proposed changes may balance equity for minor variations. However, it may unbalance equity for major/complex applications, which may not be consistent with the principles of cost recovery set out under the ACVM Act.
- 2.4 While describing the proposed service associated with the fee paid (see Table 5 - Section 10 of the Act states that applications must be in the form specified and contain the information specified), the description is vague and does not bring certainty as to what exactly ACVM is looking at while screening an application.
- 2.5 What is the criteria to recognise an application contains the information? Furthermore, the Assessor undertaking the screening may not be the Assessor undertaking the Assessment phase. Unless the criteria for screening is clearly established, this double handling will result in applicants likely paying twice for the same service. For large/complex applications, the unbalance created under the principles of cost recovery would be of a much higher magnitude when compared with minor variations.
- 2.6 It seems under Section 10 of the Act there are no requirements for the information provided to be adequate (and adequacy is a subjective terminology unless clearly defined as a process). Under section 10 as long as the information is provided, the application would be complete and suitable to progress to the assessment phase. It seems the expectations at pre-screen are not aligned with section 10 of the Act.

2.7 There would be support to the proposed fee scheme should this change be associated to a more predictable process at the screening phase.

**Proposal 6 – p.49, 52**

2.8 No comments. Support as it brings efficiencies to the process.

**Appendix 1 – p.63**

2.9 No objections to fee changes, as long as these are associated with efficiencies and a more predictable process, including at the screening phase.

**3. About Agcarm**

Agcarm is the industry association for manufacturers and suppliers of crop protection and animal health products. For further information and a full list of members, see [www.agcarm.co.nz](http://www.agcarm.co.nz).

Agcarm member products protect public health, improve animal welfare and help environmental management. They:

- Play a pivotal role in growing high yield, sustainable food and fibre products;
- Help supply healthy, nutritional and affordable food;
- Keep New Zealand's agriculture, horticulture and forestry sectors internationally competitive.

Our members are committed to safety, innovation and product stewardship.