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Ref:
Fee and Levy Options for WorkSafe NZ's Oversight of Regulations for Major Hazard Facilities

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1. General Comment

Agcarm welcomes the opportunity to provide feedback on the Fee and Levy Options for WorkSafe New Zealand's Oversight of Regulations for Major Hazard Facilities.

Agcarm understands that a number of our member companies have been approached directly by WorkSafe on the new regulations and have made individual submissions on actual cost recovery options. Based on this premise, Agcarm's submission is brief and focussed on cost recovery assumptions put forward by WorkSafe.

2. Cost Recovery by WorkSafe

Agcarm submits that prior to supporting a new cost recovery regime for oversight of Major Hazardous Facilities, WorkSafe acknowledges, and where it is missing, provides evidence of meeting the criteria outlined below:

- A clear description of the principles and policy considerations that will guide WorkSafe's approach to cost recovery and how they will be applied.
- Alignment of WorkSafe's approach with available best practice guidance issued by the Treasury and the Office of the Auditor-General and consideration of approaches taken by other government agencies.
- Improving transparency of the basis for determining where fees, charges and levies will be imposed and the levels at which they will be set.
- Enabling greater harmonisation of arrangements across all of WorkSafe's cost recovery activities.
- Improving communication, collaboration and certainty for fee payers of the frequency, timing and process for establishing, review and update of fees, charges and levies.
- Enhancing transparency of costs and service performance for fee payers.

3. Cost Recovery Options

As a general statement Agcarm submits that any option for cost recovery must be kept as simple as possible, i.e. using the “efficiency” principle. In this situation WorkSafe’s cost of administering the fee regime, and the fee payers’ compliance costs should be minimised. That is, any costs should be collected in a manner that ensures maximum benefits are delivered at minimum cost.

4. About Agcarm

Agcarm is the peak industry association for companies which manufacture and distribute crop protection and animal health products in New Zealand.

These 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.

Agcarm membership represents about three quarters of both the \$NZ300 million crop protection market and \$NZ370 million animal health market in New Zealand. In addition to supplying the domestic market, Agcarm members export an estimated NZ\$250 million of product a year.

For further information about Agcarm, see www.agcarm.co.nz.