Biosecurity New Zealand
Tiakitanga Pūtaiao Aotearoa

Investing in Protecting the Border – Submission template

We would like to hear your views on the proposals in the consultation document: *Changes to the Biosecurity System Entry Levy and other services charged to importers for clearing cargo*

We encourage you to use this template for your submission. Once complete, please either email to costrecovery@mpi.govt.nz (preferred), or mail to:

> *Consultation: Biosecurity cargo services - Proposals for 1 July 2023*
> Cost Recovery Directorate
> Ministry for Primary Industries
> PO Box 2526
> Wellington 6104

Please include your name and title, postal address, phone number and email address.

Official Information Act 1982
Submissions are official information and may be the subject of requests for information under the Official Information Act 1982 (OIA). The OIA specifies that information is to be available to requesters unless there is a good reason for withholding it.

Submitters may wish to indicate grounds for withholding specific information in their submissions, such as where they consider information is commercially sensitive or they wish personal information be withheld. We will consider these requests in accordance with the provisions of the OIA. Should we decide to withhold information on request, any such decision is reviewable by the Ombudsman.

Privacy Act 1993
Where you provide personal information in this consultation MPI will collect the information and will only use it for the purposes of the consultation. Under the Privacy Act 1993 you have the right to request access and correction of any personal information you have provided or that MPI holds on you.

Contact details

Name:	Anna Rathe
Title:	Strategy and Risk Policy Team Leader
Postal address:	
Phone number:	027 303 1020
Email address:	Anna.rathe@hortnz.co.nz

Are you submitting:

- as an individual? **Yes ☐ No ☑**

In which region are you located?

☐ Northland	☐ Auckland	☐ Waikato
☐ Bay of Plenty	☐ Gisborne	☐ Hawke's Bay
☐ Taranaki	☐ Manawatu-Wanganui	☐ Wellington
☐ Marlborough	☐ Tasman-Nelson	☐ West Coast
☐ Canterbury	☐ Otago	☐ Southland

- as a business? **Yes ☐ No ☑**

What is the name of your business?

How many people work in your business (full time/ part time)? (including owner-operators)

☐ 0 - 5	☐ 6 - 9	☐ 10 -19
☐ 20 - 49	☐ 50 - 99	☐ 100+

In which region(s) do you operate?

☐ Northland	☐ Auckland	☐ Waikato
☐ Bay of Plenty	☐ Gisborne	☐ Hawke's Bay
☐ Taranaki	☐ Manawatu-Wanganui	☐ Wellington
☐ Marlborough	☐ Tasman-Nelson	☐ West Coast
☐ Canterbury	☐ Otago	☐ Southland

- on behalf of an organisation? **Yes ☑ No ☐**

What is the name of your organisation?	Horticulture New Zealand
How many members do you represent?	Approximately 5,500 commercial fruit and vegetables growers in New Zealand. This submission is also supported by: • Citrus NZ • New Zealand Asparagus Council • NZ Persimmon Industry Council

- NZ Feijoa Growers Association
- Summerfruit New Zealand
- TomatoesNZ
- Strawberry Growers New Zealand

Additional details

What industry are you (or your members) primarily involved in?

☑ Agriculture	☐ Aquaculture
☐ Fishing	☐ Seafood processing
☐ Meat & meat product manufacturing	☐ Dairy product manufacturing
☐ Other food Manufacturing	☐ Other (non-food) manufacturing
☐ Food Product wholesaling & retailing	☐ Food & beverage services (e.g. cafes & restaurants)
☐ Transport, warehousing & related services	
☑ Other: horticulture	

How did you read the consultation document?

Tick all that apply:

☐ On a phone

☐ On a tablet, iPad or similar device

☑ On a laptop or desktop computer

☐ On paper as a printed document

☐ Other:_____

Questions for submitters

PROPOSAL 1: INCREASE TO THE BIOSECURITY SYSTEM ENTRY LEVY (BSEL) AND CAP

Proposal

We propose to increase the BSEL rate from $23 to $46.40 to fully recover forecast costs for the next levy period, including the Joint Border Management System component.

To enable an increase to the BSEL rate, we need to increase the cap prescribed in the BSEL. We are proposing to set the cap at $50.

Questions

1 Do you agree that the levy rate for border biosecurity services in the cargo pathway should be increased to $46.40 to fully recover future costs and the deficit accumulating since 1 July 2022?

✓	☐	☐
Agree	Disagree	No opinion

2 What are the reasons for your opinion?

- HortNZ considers that biosecurity services at the border are absolutely critical in order to prevent incursions of exotic pests, pathogens and weeds that would threaten our sector.
- It is acknowledged that a significant amount of resource is required in order to provide biosecurity services, especially as volumes of passengers and goods increase and the emerging risk pathways get more complex. It is essential that the biosecurity system is adequately resourced to enable biosecurity risks to be managed.
- HortNZ would like to see a biosecurity cost recovery system that is fit for purpose, future-proofed and based on the principle that those who generate the biosecurity risk pay for the biosecurity services required to manage the risk.
- HortNZ understands that the current cap has been reached, yet it does not allow full cost recovery for biosecurity services to clear goods at the border.
- HortNZ is supportive of the new and expanded cost recovered cargo services (Increased Cargo Risk Assessors and the Brown Marmorated Stink Bug (BMSB) Surveillance Programme) – these are both critical elements of an effective cargo pathway and biosecurity system.
- HortNZ recognises that “cost recovery plays an important role in making sure that Biosecurity New Zealand (Biosecurity NZ) has sufficient funding and capability to maintain a robust biosecurity system” (page 6, BNZ discussion document 2023). HortNZ is therefore not supportive of option 1 status quo (section 4.4, BNZ discussion document 2023) as this may jeopardise adequate border biosecurity resourcing. We are open to option 2 or option 3 as either should ensure a well-resourced border.

3 Do you agree that the maximum rate (cap) for border biosecurity services in the cargo pathway prescribed in the Levy Order should be increased to $50?

✓	☐	☐
Agree	Disagree	No opinion

4 What are the reasons for your opinion?

- The higher cap provides the flexibility to accommodate cost increases that may be faced in the future.

5 Do you agree that the deficits and surpluses should be recovered / returned to levy payers over three years instead of one?

☐	☐	✓
Agree	Disagree	No opinion

6 What are the reasons for your opinion?

- Whilst HortNZ have no formal view on this, the rationale for the change seems sensible. A longer time horizon will provide more certainty and reduce short term/frequent adjustments to fees.

7 What impact will the proposed levy rate have on you or your business?

☐	☐	☐	✓	☐	☐
Significant negative impact	Negative impact	No impact	Positive impact	Significant positive impact	Don't know

8 Please describe any impact and quantify this if possible. Please describe any impact the proposed levy rate and/or cap might have on you and/or your business. Quantify this if possible.

- There is an indirect impact in that increasing the levy will increase biosecurity system resourcing, likely resulting in better biosecurity outcomes. A well-resourced border protects the horticulture industry from threats such as exotic pests, pathogens and weeds.

9 Are there any other issues associated with the proposed levy rate and/or cap that you think Biosecurity NZ should be aware of?

10 Are there any other issues with the way the levy is operating generally that you think Biosecurity New Zealand should be aware of?

• HortNZ is notes the "Shift of Biosecurity NZ effort from the passenger to cargo pathway" (page 13, BNZ discussion document 2023). Hort NZ would like assurance that this shift in effort will not make the passenger pathway more vulnerable to biosecurity incursions – both pathways must be appropriately resourced and managed.

PROPOSAL 2: BIOSECURITY FEE UPDATES

Proposal

We propose updating fees in the Regulations that are based on the $102.27 hourly rate to be based on $155.50 per hour. This includes updates to both fixed and variable fees, as well as adjustments to standardise the charges for some fees.

Questions

1 Do you agree with the proposed fee updates?

✓	☐	☐
Agree	Disagree	No opinion

2 What are the reasons for your opinion?

• HortNZ agrees that the fees for biosecurity services should be increased to allow for full recovery of costs. Again, this is in line with the user pays principle.

3 What impact will the proposed fee updates have on you and/or your business?

☐	☐	☐	✓	☐	☐
Significant negative impact	Negative impact	No impact	Positive impact	Significant positive impact	Don't know

4 Please describe any impact the proposed fee updates might have on you and/or your business. Quantify this if possible.

- There is an indirect impact in that increasing the fees will increase biosecurity system resourcing, likely resulting in better biosecurity outcomes. A well-resourced border protects the horticulture industry from threats such as exotic pests, pathogens and weeds.

5 Are there any other issues with biosecurity fees that you think MPI should be aware of?