

Proposed Changes to Levies under the Animal Products Act 1999 – Submission template

We would like to hear your views on the proposals in the consultation document: *Proposed Changes to Levies under the Animal Products Act 1999: Updating Five Levies for Existing Services in the Food System*.

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: Proposed Changes to Levies under the Animal Products Act 1999 -
Proposals for 1 July 2021*
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.

All submissions must be received no later than **5pm on 26 March 2021**.

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

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Title:	CEO, Apiculture NZ
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Phone number:	027 4379 307
Email address:	ceo@apinz.org.nz

Are you submitting:

- as an individual?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>															
In which region are you located?	<table><tr><td><input type="checkbox"/> Northland</td><td><input type="checkbox"/> Auckland</td><td><input type="checkbox"/> Waikato</td></tr><tr><td><input type="checkbox"/> Bay of Plenty</td><td><input type="checkbox"/> Gisborne</td><td><input type="checkbox"/> Hawke's Bay</td></tr><tr><td><input type="checkbox"/> Taranaki</td><td><input type="checkbox"/> Manawatu-Wanganui</td><td><input type="checkbox"/> Wellington</td></tr><tr><td><input type="checkbox"/> Marlborough</td><td><input type="checkbox"/> Tasman-Nelson</td><td><input type="checkbox"/> West Coast</td></tr><tr><td><input type="checkbox"/> Canterbury</td><td><input type="checkbox"/> Otago</td><td><input type="checkbox"/> Southland</td></tr></table>		<input type="checkbox"/> Northland	<input type="checkbox"/> Auckland	<input type="checkbox"/> Waikato	<input type="checkbox"/> Bay of Plenty	<input type="checkbox"/> Gisborne	<input type="checkbox"/> Hawke's Bay	<input type="checkbox"/> Taranaki	<input type="checkbox"/> Manawatu-Wanganui	<input type="checkbox"/> Wellington	<input type="checkbox"/> Marlborough	<input type="checkbox"/> Tasman-Nelson	<input type="checkbox"/> West Coast	<input type="checkbox"/> Canterbury	<input type="checkbox"/> Otago	<input type="checkbox"/> Southland
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- as a business?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>															
What is the name of your business?	<input type="text"/>																
How many people work in your business (full time/ part time)? (including owner-operators)	<table><tr><td><input type="checkbox"/> 0 - 5</td><td><input type="checkbox"/> 6 - 9</td><td><input type="checkbox"/> 10 -19</td></tr><tr><td><input type="checkbox"/> 20 - 49</td><td><input type="checkbox"/> 50 - 99</td><td><input type="checkbox"/> 100+</td></tr></table>		<input type="checkbox"/> 0 - 5	<input type="checkbox"/> 6 - 9	<input type="checkbox"/> 10 -19	<input type="checkbox"/> 20 - 49	<input type="checkbox"/> 50 - 99	<input type="checkbox"/> 100+									
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- on behalf of an organisation?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
What is the name of your organisation?	<input type="text" value="Apiculture New Zealand"/>	
How many members do you represent?	<input type="text" value="ApiNZ represents approximately 2500 beekeepers across commercial, non-commercial and beekeeping clubs."/>	

Additional details

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

- | | |
|--|--|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Aquaculture |
| <input type="checkbox"/> Fishing | <input type="checkbox"/> Seafood processing |
| <input type="checkbox"/> Meat & meat product manufacturing | <input type="checkbox"/> Dairy product manufacturing |
| <input type="checkbox"/> Other food Manufacturing | <input type="checkbox"/> Other (non-food) manufacturing |
| <input type="checkbox"/> Food Product wholesaling & retailing | <input type="checkbox"/> Food & beverage services (e.g. cafes & restaurants) |
| <input type="checkbox"/> Transport, warehousing & related services | |
| <input checked="" type="checkbox"/> Other: | <input type="text" value="Apiculture"/> |

How did you read the consultation document?

Tick all that apply:

- | |
|---|
| <input type="checkbox"/> On a phone |
| <input type="checkbox"/> On a tablet, iPad or similar device |
| <input checked="" type="checkbox"/> On a laptop or desktop computer |
| <input type="checkbox"/> On paper as a printed document |
| <input type="checkbox"/> Other: _____ |

Questions for submitters

PROPOSAL 2: CHANGES TO DOMESTIC BEE LEVY

Proposal

We propose increasing the levy by 32% to cover annual costs and eliminate the accumulated deficit. The proposed changes set out in the table below:

Current and proposed Domestic Bee levies

	Current	Proposed
Domestic Bee Levy (per annum)	\$471.80	\$625.00

Questions

- 1 Do you agree with the proposal to update the domestic bee levy to reflect the actual costs of the services provided?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Agree	Disagree	No opinion

- 2 What are the reasons for your opinion?

Apiculture NZ members have expressed disappointment at the timing of this increase, and particularly given apparent oversight by MPI in its management of the costs.

ApiNZ appreciates the need for MPI to recover the costs of this service, but it needs to do so in a way that does not accumulate deficits and compound costs on RMP operators in subsequent years to which the services are provided.

In terms of the communication, there is a lot of confusion as to what this levy represents. In future Apiculture NZ recommends MPI provide explanation notes as to what the levy covers. The term 'Domestic Bee Levy' is not understood and recognised by those who pay it.

In addition, there does not appear to have been much thought if any from MPI into the context with which this increase is being applied. Apiculture NZ members have indicated they are doing a lot of work with MPI to bring the cost of verification audits down in a time when it is very difficult for beekeepers to maintain sustainable business operations, and this ad hoc notice of change in the levy does not appear to have been discussed with industry organisations like Apiculture New Zealand involved in this work.

- 3 What impact will the proposed increase in the levy have on you or your business?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Significant negative impact	Negative impact	No impact	Positive impact	Significant positive impact	Don't know
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4 Please describe any impact and quantify this if possible.

We anticipate the cost to the industry will be \$53,600. Given the current financial difficulty being experienced by those beekeepers primarily harvesting non-manuka honey, some RMP operators have indicated to us they are now considering de-registering in an effort to cut costs. The imposition of the additional cost at this time to address the accumulated deficit is likely to increase their resolve to take this action and potentially withdraw from the industry.

5 Do you have any specific concerns arising from the emergence of the COVID-19 pandemic for your business? What are the likely impacts of COVID-19 on your business over the next year?

Many smaller beekeeping operators have relied on the presence of overseas tourists in New Zealand as part of their honey sales strategy. Since COVID-19 emerged at the beginning of 2020 this market evaporated, and there is currently no sign of its meaningful return. Those beekeepers who have not been exporters are unlikely to have been able to switch their focus to overseas sales with the inability to travel and develop business in person.

6 Are there any other issues with regards to the levy MPI should know about?

PROPOSAL 3: CHANGES TO EXPORT BEE LEVY

Proposal

We propose increasing the levy by 27% to cover annual costs and eliminate the accumulated deficit. The proposed changes set out in the table below:

Current and proposed Export Bee levies

	Current	Proposed
Domestic Bee Levy (per annum)	\$1,005.70	\$1,279.25

Questions

- 1 Do you agree with the proposal to update the export bee levy to reflect the actual costs of the services provided?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Agree	Disagree	No opinion

- 2 What are the reasons for your opinion?

While understanding of the purpose of a levy to enable export trade, Apiculture NZ exporters have expressed a lack of clarity around what the Export Bee Levy pays for.

The notes to the levy say the biggest cost is for contracts for chemical and microbiological assurance for the purpose of exports. This has not been deemed to be a satisfactory explanation by RMP operator members.

RMP operators accept the need to pay a levy for the costs incurred within the year, but question whether now is the right time to be subjected to paying for the accumulated losses from the past – particularly as it appears the losses have been accumulating for some time.

- 3 What impact will the proposed increase in the levy have on you or your business?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Significant negative impact	Negative impact	No impact	Positive impact	Significant positive impact	Don't know

- 4 Please describe any impact and quantify this if possible.

- 5 Do you have any specific concerns arising from the emergence of the COVID-19 pandemic for your business? What are the likely impacts of COVID-19 on your business over the next year?

For beekeeping businesses with an export focus, the inability to travel overseas has meant they have been unable to develop new business and attend trade shows. This has an inevitably constraining impact on growing revenue to help manage increases in cost associated with COVID-19 – Apiculture NZ members have reported a rise in supply chain costs including shipping. As with those targeting international tourists there seems limited prospect of this situation improving in 2020.

- 6 Are there any other issues with regards to the levy MPI should know about?