



15 March 2024

Cost Recovery Directorate  
Ministry for Primary Industries  
Via email: [costrecovery@mpi.govt.nz](mailto:costrecovery@mpi.govt.nz)

**RE: Cost recovery proposal to maintain and expand New Zealand Food Safety's core regulatory services under the Food Act 2014**

Tenā koe,

We are writing to you on the cost recovery proposal to maintain and expand New Zealand Food Safety's core regulatory services under the Food Act 2014 (proposed Food Levy).

Hospitality New Zealand (Hospitality NZ) is a member-led, not-for-profit organisation representing around 2,500 businesses, ranging across cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels, and off-licences. We have a 122-year history of advocating on behalf of the hospitality and tourism sector.

We understand that New Zealand Food Safety is primarily funded through cost recovery methods, and therefore any desired expansion of services must be funded outside of baseline Crown funding. Many NZFS resources do not get to a level of detail sufficient for food service businesses without requiring clarification (and a further pull on NZFS resources) – we can appreciate that in order to enable the delivery of more hospitality-specific resources and support, additional funding avenues may be required. However, NZFS is already funded for most of the services cited in the Proposal. The consultation document is non-specific on what an expansion of services entails and therefore it is difficult for Hospitality NZ to provide unqualified support for the proposals.

It should be recognised this proposal comes at a time where consumers and businesses are facing significantly increased costs. While the annual amount of the levy for domestic food businesses may seem nominal, particularly in year one, it adds another draw on finite resources. In that regard, it is key that should the proposed levy progress, some of the funds are dedicated to reviewing and removing unnecessary compliance and costs in other parts of the food safety system.

Furthermore, the proposal calculates the levy based on the number of registered sites. We view this as inequitable, given our small, slim margin venues are paying the same price as food retailer like a supermarket. We acknowledge that smaller businesses may require more direct assistance from MPI to ensure they are doing the right thing, but this would not be true for every small business. We also acknowledge that the consultation document notes there is a lack of adequate



information to support an alternative approach, but we believe more work should be done to consider an approach that is spread more evenly.

Finally, we note that MPI considers territorial authorities as the easiest collection point for the proposed levy. We consider this may add additional cost and administrative processes for local authorities, which may ultimately add additional costs to members through increased rates. We question if appropriate additional compensation for territorial authorities has been considered under the proposal.

Thank you for the opportunity to submit on the proposed Food Levy, and we would welcome the opportunity to clarify any points made in this submission if necessary.

Ngā mihi nui,

A handwritten signature in black ink, appearing to read "S. Armitage". The signature is stylized and includes a long horizontal stroke extending to the right.

**Steve Armitage**  
**Chief Executive**  
**Hospitality New Zealand**