



Meat Industry Association of New Zealand (Inc)

Submission to the Local Government and
Environment Select Committee on

The Resource Management (Climate
Protection) Amendment Bill

1 June 2006

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I: About the Meat Industry Association

1. The Meat Industry Association of New Zealand Incorporated (MIA) is a voluntary trade association representing New Zealand meat processors, marketers and exporters. It is an Incorporated Society (owned by members) that represents companies supplying the majority of New Zealand sheepmeat exports and all beef exports, producing 17 per cent of our nation's exports by value (30 percent of New Zealand's primary sector export revenue). The New Zealand meat industry earned \$5.3 billion in export revenue and \$1.05 billion from domestic meat sales in the year ended April 2005.
2. MIA member companies operate approximately 80 processing plants dispersed throughout the country. The plants slaughter and process approximately 24 million lambs, 4.4 million sheep and 4.2 million cattle and calves each year. Ninety percent of this production is processed into value-added products. Approximately 800,000 tonnes or 85% of the production is exported to overseas destinations. Our affiliate members add to the depth of expertise available from the membership, with representation throughout the meat supply chain, including road and rail transport, shipping lines, ports, packaging firms, specialist product exporters, research and technology.
3. The Association advocates on behalf of its members and provides advice on economic, trade policy, market access, employment relations, business compliance costs and technical and regulatory issues facing the industry, with a particular focus on:
 - Food safety trends and developments in importing countries
 - Economic and trade aspects of market access to key overseas markets
 - Major public policy proposals that could impact on industry operations
4. The MIA is also the interface between the meat industry and government (i.e., it is the consultative body referred to in various New Zealand statutes, such as the Meat Board Act 2004, Meat Act 1981 and the Animal Products Act 1999).
5. The Association's mission is to:
 - Provide a forum for consideration of industry-wide commercial, human resource, marketing, and sanitary and zoosanitary issues; and
 - Provide the means of formulating a collective view on issues of industry wide interest, and of conveying that position to government, departments of state, trade bodies, and other appropriate external agencies and organisations.
6. A list of Association members is attached as Appendix 1.

II: Executive Summary

7. The Association acknowledges that the development of climate change policy is one of the government's highest priorities, with five key departments working together on the issue¹. This work is intended to define a national climate change strategy and determine how New Zealand will fulfill its international obligations. This work is not yet concluded.
8. The Association contends that any proposal to address climate change policy first needs to be adopted on a national scale, as opposed to regional. This Bill proposes that local bodies be granted authority to consider complex technical climate change issues before New Zealand has a clear national climate change policy. Regional councils will have a significant role to play; however, asking each council to lead the way will stretch resources and increase costs, and at the same time will create inconsistencies across the country, negating any benefit from the actions of some regions.

III: Background

9. The Bill's purpose is to "ensure regional councils are able to take into account the effect of greenhouse gas emissions on climate change, including when –
 - (i) considering applications for air discharge consents
 - (ii) developing rules in regional plans"²
10. The provision for local government to consider greenhouse emissions when granting consents was removed in the 2004 amendment. It was removed with the intention that it would be replaced by a national emissions standard. This national standard took the form of a carbon tax, which has since been revoked. The removal of the carbon tax initiative appears to be the catalyst for this Bill's introduction.

IV: Submission

The Argument for a National Standard

11. While it was agreed that the carbon tax was not going to be an effective way to reduce the country's emissions, the MIA maintains that a national standard is essential for consistency. The MIA understands that the carbon tax made way, not to pass the responsibility to individual councils, but instead to develop a national policy statement, supported by national standards which would balance the need for the New Zealand economy to stay internationally competitive with our environmental responsibilities.

¹ New Zealand Climate Change Office, "Climate change policy review" <http://www.climatechange.govt.nz/policy-initiatives/policy-review/index.html> accessed 22/05/2006

² Fitzsimmons, J, "Resource Management (Climate Protection) Amendment Bill" <http://www.greens.org.nz/searchdocs/other9655.html> accessed 05/05/2006

12. The Resource Management (Climate Protection) Amendment Bill proposes to enable councils to consider climate change when setting rules and consents. Given that there are currently twelve regional councils in New Zealand³, it is likely that the actions of at least one of these councils, in the consideration of climate change, will contradict national policy. In this instance, there is scope for national policy development to be adversely affected.

A Global Issue Delegated to Local Authorities

13. The passing of this Bill would effectively require regional councils to make decisions that have effects that go beyond their area of responsibility, i.e., their region. Climate change is a complex global issue which, in our view, cannot be efficiently addressed through regional councils acting unilaterally. While a global consensus on the right way forward has not yet been achieved, we should be working towards a national strategy, not delegating this responsibility to regional councils.
14. The Bill seeks to give regional councils the authority to consider carbon dioxide emissions, without giving any guidelines regarding how the emissions might be considered. This lends an extremely wide scope under which councils can act. At one extreme emissions could be considered, then immediately disregarded; and at the other extreme emissions could be considered above all else.
15. Setting technical parameters for emissions standards is a complex process, and would require a significant increase in councils' overall workload. Even if councils were to acquire sufficient resources to develop and implement emissions standards, the overall cost/benefit ratio would not be as favourable as it would if resources were directed to one national emissions standard being set. In other words, the costs associated with this Bill would outweigh the benefits.
16. A narrowing of the scope under which councils could act, through a national emissions standard would ensure consistent treatment of consent applications. If each region is left to decide its own standard with no national policy, consistency is made impossible. This leads to uncertainty, which is not conducive to business investment.

The Changing Nature of Climate Change Policy Development

17. It has been contended that all this amendment does is to reinstate the policy introduced when the Resource Management Act was promulgated in 1991. The Association notes that much has changed since 1991, and the 2004 amendment which acknowledged the need for a national standard is more relevant to the issue of climate change, especially post Kyoto ratification.

³ Local Government Online, "Regional Councils"

<http://www.localgovt.co.nz/LocalGovernment/ContactACouncil/RegionalCouncils/> accessed 23/05/2006

V: Conclusions

18. Climate Change is a global issue. In order to meet New Zealand's international obligations, a national policy statement is needed.
19. Setting technical parameters for emissions standards is an extremely complex process. Regional councils simply cannot implement emissions standards that will ensure a consistent national approach, therefore any benefits achieved through emission reductions in one region is likely to be negated by the inconsistent application of the Bill in other regions.
20. Further, regional councils do not currently have the resources for such a process. Ensuring the allocation of sufficient resources to twelve separate authorities would require significant rates increases, and would not be as cost effective as a centralised approach.

VI: Recommendation

21. For the reasons set out above, the Association recommends that the Resource Management (Climate Protection) Amendment Bill not proceed.

VII: Appearance before the Select Committee

22. The MIA does not wish to be heard before the Select Committee to present this submission.

VIII: Contact Details

23. For any queries relating to this submission, please contact Siobhan Ryan on 04 495 8382 or email siobhan.ryan@mia.co.nz

Meat Industry Association of New Zealand Inc

IX: Appendix 1 - MIA Members as at 1 July 2005

Members
Advance Marketing Ltd
AFFCO New Zealand Ltd
Alliance Group Ltd
ANZCO Foods Ltd
ANZCO Green Island Ltd (ANZCO group)
ANZPAC Foods Ltd
Auckland Meat Processors Ltd
Ballande New Zealand Ltd
Bernard Matthews New Zealand Ltd
Blue Sky Meats (NZ) Ltd
<i>Brookland (NZ) Ltd (in receivership)</i>
Canterbury Meat Packers Ltd (ANZCO group)
Columbia Exports Ltd
Crown Marketing Ltd (ANZCO group)
Crusader Meats New Zealand Ltd
Dairy Meats NZ Ltd (AFFCO group)
Davmet New Zealand Ltd
Fern Ridge Ltd
Frasertown Meat Company Ltd
Garra International Ltd
Glovers Foods Ltd
Greenlea Premier Meats Ltd
Harrier Exports Ltd
Horizon Meats New Zealand Ltd (wholly owned subsidiary of Blue Sky Meats (NZ) Ltd)
Lamb Packers Feilding Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)
Land Meat (NZ) Ltd (AFFCO group)
Lanexco Ltd
Lowe Corporation Ltd
Mathias International (Mathias Meats NZ Ltd)
Pilot (NZ) Ltd
PPCS Ltd
Progressive Gisborne Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)
Progressive Meats Ltd
Rakaia River Meats Ltd
Riverlands Ltd (ANZCO group)
South Pacific Meats Ltd
Tara Exports Ltd
Taylor Preston Ltd
Te Kuiti Meat Processors Ltd
Towers Thompson (New Zealand) Ltd
Universal Beef Packers Ltd (UBP)
Wallace Corporation Ltd

Affiliate Members
AgResearch-MIRINZ Centre
Aon New Zealand Limited
Australia-New Zealand Direct Line (ANZDL)/Contship Containerlines (Divisions of CP Ships UK Ltd)
Carter Holt Harvey, Packaging
CentrePort Wellington
Energy for Industry (ex Meridian Solutions)
Hamburg-Sud New Zealand Ltd
Hapag Lloyd (New Zealand) Ltd
Maersk New Zealand Ltd
New Zealand Natural Casing Association Inc
Oceanic Navigation Ltd
Port of Napier
Port Otago Ltd
Port Taranaki Ltd (previously Westgate Transport Ltd)
ProAnd Ltd (Meatek Ltd)
Rissington Breedline Ltd
Thompson Clarke Shipping Pty Ltd (ANZ Marketing Representative for the Port of Los Angeles)
Vero Marine Insurance