



Media Release

Meat Industry Association of New Zealand (Inc)

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State-owned Enterprises (Agriquality Ltd and Asure New Zealand Ltd) Bill: Meat Industry speaks out on Anti-Competitive Bill

The Meat Industry Association ('MIA') is staggered at Government's efforts to railroad legislation to create a monopoly around the provision of services to the industry - without any reference to the views of directly affected parties.

A bill currently before the Commerce Select Committee would allow Government to direct AgriQuality not to compete with Asure in the provision of export meat inspection services. MIA Chairman, Mr Bill Falconer, says that competition is a key driver in improving cost efficiency, without which costs will inevitably rise.

"The possibility of competition is an important check against abuse of market power, and we cannot believe the Government is indifferent to this reality, and wants to take that check away without putting something equally effective in its place."

"I have to say that in the 47 years I have been in and around Government, I have never seen a major trade organisation be treated so shabbily," says Mr Falconer. "It is ironic that this should be occurring in designated 'Export Year'"

"In July of last year the PSA advised us that it had reached an arrangement with the Government whereby Asure (which employs many of its members) would become the sole and monopoly provider of meat inspection services.

"Representations to the Minister of Agriculture seeking the ability to participate in the Government's deliberations on this matter have been to no avail."

The MIA calls on the Government to openly explain the rationale for the bill, and the unseemly haste with which it is being progressed.

"No case is made as to why a single entity would serve the Government's interests, or those of the recipients of the services now provided by the separate entities," says Mr Falconer.

"Any inference that the measures proposed are important to the maintenance of New Zealand's international reputation for food safety and the access to markets this allows is misguided.

"Our members have a vital interest in that reputation, and would be the last to compromise it. Quite simply, New Zealand's international reputation for food safety is not at issue, nor is the question of whether only one aspect of the food safety environment – ante and post mortem examination – is provided by one or more entities."

The MIA is a voluntary membership body representing meat processors, exporters and marketers. Its members collectively process and market \$5 billion of meat exports each year – 30 per cent of New Zealand's primary sector revenue, and 17 per cent of the nation's exports by value.

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