

Meat Industry Association of New Zealand (Inc)

Submission to the Commerce  
Select Committee on

Business Law Reform Bill

August 2006

**Meat Industry Association Submission on the Business Law Reform Bill**

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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 billion in export revenue in the year ended May 2006.
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: Comments on the Bill

7. The MIA supports the Business Law Reform Bill ('the Bill'), and in particular those aspects of the Bill amending the Companies Act 1993 and Financial Reporting Act 1993 to:
  - Modernise the rules regarding the issue of annual reports to shareholders; and
  - Dispense with the current obligation for inactive companies to produce financial statements.
8. The General Policy Statement to the Bill states that it seeks to address 'the cumulative costs of complying with legislation' and in doing so 'promote both the efficient use of economic resources, and enterprise and innovation, in the economy'. This is a laudable intention, and is one which the Association whole-heartedly endorses.
9. The paring back of business and regulatory compliance costs is a matter of substantial importance to our Members. The meat industry is highly competitive and generally produces relatively tight profit margins. As such, minimising the regulatory compliance outgoings incurred before the first dollar of profit is earned is crucial to the industry's ongoing success.
10. The Bill will undoubtedly reduce compliance costs to a degree. The extent to which this will increase the speed with which MIA Members are able to arrive at the first dollar of profit, however, is uncertain. In large part this is because in our view the real cost associated with legislative compliance comes not from the burden of filling out and filing forms, but from the impact of policy decisions.
11. Minimising the costs imposed on businesses as a result of government decision-making is an essential feature of all successful economies. To meaningfully promote a more robust New Zealand economy through 'efficient use of economic resources', Parliament must carefully scrutinise any initiative that adds to the cost and complexity of doing business (whether generally or in a particular sector).
12. In recent times Parliament has been increasingly called upon to assess a government and private members bills promoting what is essentially social policy legislation. The policy outcomes sought by such legislation can often appear intuitively desirable, but in our view this of itself should not be sufficient. We consider there is a need for more robust assessment of proposed policy initiatives to ensure that the total cost of any policy decision on New Zealand businesses is an objectively justifiable means to a desirable end. Put another way, the benefits of desired policy outcome must clearly and transparently outstrip or outweigh any negative impact on New Zealand businesses' ability to make 'efficient use of economic resources'.
13. In our view, existing regulatory impact statements and business compliance cost statements do not sufficiently emphasise this principle, and can also suffer to the extent that those completing the statements are not necessarily those best placed to fully appreciate the likely impacts on New Zealand business.
14. While initiatives that aim to reduce administrative costs (such as those contained in the Bill) are welcomed, then, the MIA observes that significant reductions to the costs faced by New Zealand businesses are more likely to be achieved through more thorough review and scrutiny of the costs and benefits of existing and proposed legislative policy.

15. We recognise that these observations may fall outside of the scope of the Committee's consideration of the Bill, but nonetheless consider them to be of sufficient importance to warrant drawing them to the Committee's attention.

### **III: Concluding Remarks**

16. The MIA recommends that the Bill proceed, and does not wish to present oral submissions.
17. For any queries relating to this submission, please contact Dave Harrison (DDI: 04 495 8371 or email: [dave.harrison@mia.co.nz](mailto:dave.harrison@mia.co.nz)) in the first instance.

Meat Industry Association of New Zealand (Inc)  
August 2006

## Appendix 1: Association Members and Affiliate Members

List of MIA Members and Affiliate Members (year commencing 1 July 2006)	
Members	Head Office Location
Advance Marketing Ltd	Auckland
AFFCO New Zealand Ltd	Hamilton
Alliance Group Ltd	Invercargill
ANZCO Foods Ltd	Wellington
ANZCO Green Island Ltd (ANZCO group)	Dunedin
ANZPAC Foods Ltd	Auckland
APJ Meats Ltd	Mapua
Auckland Meat Processors Ltd	Auckland
Ballande New Zealand Ltd	Auckland
Bernard Matthews New Zealand Ltd	Waipukurau
Blue Sky Meats (NZ) Ltd	Invercargill
<i>Brookland (NZ) Ltd (in receivership)</i>	<i>Auckland</i>
Canterbury Meat Packers Ltd (ANZCO group)	Ashburton
CMP Rakaia	Rakaia
Columbia Exports Ltd	Auckland
Crown Marketing Ltd (ANZCO group)	Wellington
Crusader Meats New Zealand Ltd	Benneydale
Dairy Meats NZ Ltd (AFFCO group)	Auckland
Davmet New Zealand Ltd	Napier
Fern Ridge Ltd	Napier
Frasertown Meat Company Ltd	Auckland
Garra International Ltd	Christchurch
Glovers Foods Ltd	Auckland
Greenlea Premier Meats Ltd	Hamilton
Harrier Exports Ltd	Auckland
Horizon Meats New Zealand Ltd (wholly owned subsidiary of Blue Sky Meats (NZ) Ltd)	Auckland
Hygrade Casings Company (wholly owned subsidiary of New Zealand By-Products)	
Lamb Packers Feilding Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)	Waipukurau
Land Meat (NZ) Ltd (AFFCO group)	Hastings
Lanexco Ltd	Tauranga
Lowe Corporation Ltd	Hastings
Mathias International (Mathias Meats NZ Ltd)	Auckland
New Zealand By-Products	Havelock North
Pilot (NZ) Ltd	Christchurch
Primary Producers Co-operative Society Ltd (PPCS)	Dunedin
Progressive Gisborne Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)	Waipukurau
Progressive Meats Ltd	Hastings
Riverlands Ltd (ANZCO group)	Eltham
South Pacific Meats Ltd	Invercargill
Tara Exports Ltd	Auckland
Taylor Preston Ltd	Wellington
Te Kuiti Meat Processors Ltd	Te Kuiti
Towers Thompson (New Zealand) Ltd	Christchurch
Universal Beef Packers Ltd (UBP)	Te Kuiti
Wallace Corporation Ltd	Waitoa, Waikato

<b>Affiliate Members</b>	<b>Head Office Location</b>
AgResearch-MIRINZ Centre	Hamilton
Aon New Zealand Limited	Wellington
Carter Holt Harvey, Packaging	Auckland
CentrePort Wellington	Wellington
Energy for Industry (ex Meridian Solutions)	Wellington
Hamburg-Sud New Zealand Ltd	Auckland
Hapag Lloyd (New Zealand) Ltd	Auckland
Maersk New Zealand Ltd	Auckland
New Zealand Natural Casing Association Inc	Napier
Oceanic Navigation Ltd	Auckland
Port of Napier	Napier
Port Otago Ltd	Port Chalmers
Port Taranaki Ltd (previously Westgate Transport Ltd)	New Plymouth
ProAnd Ltd (Meatek Ltd)	Fielding
Rissington Breedline Ltd	Napier
Sealed Air (New Zealand), Cryovac Division	Wellington
Thompson Clarke Shipping Pty Ltd (ANZ Marketing Representative for the Port of Los Angeles)	Australia
Vero Marine Insurance	Auckland