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## MIA Press Release

### Clandestine decision-making does little to promote trust in Government

The announcement by the Minister of Customs that the Government would seek to impose the recovery of security costs from New Zealand's second largest export sector, without any prior warning or consultation, is an unwelcome surprise.

It appears that a decision has been made to unilaterally impose a 'tax' on the export sector and ex-post will 'consult' on how it will be put into place and who will pay for what.

We are incredulous that these matters were not brought to our attention. The Meat Industry Association (MIA) has been pro-active in engaging NZ Customs with the meat industry supply chain including by:

- facilitating a meeting as recently as 29<sup>th</sup> October with NZ Customs, NZFSA, and meat processors, exporters and shippers to discuss the Secure Export Partnership (SEP) programme and the cost implications for exporters
- initiating a visit by the Select Committee to the SEP pilot programme involving Richmond and Port of Napier

It is therefore extremely disappointing that the imposition of security related costs on so-called beneficiaries was not revealed in either forum or in the many regular meetings we have with officials from the Customs Service.

The 'one-size fits all' approach signalled in the announcement, gives no regard to the differential 'risk' status of individual export sectors, and the genuine risk that such exports might present in international trade. NZ Customs have acknowledged that the meat sector is considered 'low risk' because it is already subject to comprehensive government audited certification and compliance programmes. Customs say they "would need about 130 extra staff and new x-ray and other technologies to ensure that high risk cargo could be checked without delay". The "flat fee" suggests the low risk sectors will subsidise the high risk ones.

Government often states how much it values the contribution of the primary sector in the context of the wider national economy. This action, however, suggests it is not acting consistently with its claims. Is this latest "bombshell" consistent with the stated key Government goals of "growing an inclusive, innovative economy", and "maintaining trust in Government", or the extensive guidance provided to the public sector in the Treasury "Guidelines for Setting Charges in the Public Sector"? For example, those guidelines state: "The provider needs to give users **confidence** that the levels and standards of an output are not simply determined by internal requirements, but do take adequate account of user needs. This is particularly important when users are paying." How and when are user needs going to be factored in?

Surreptitious decision-making by Customs has done little to engender trust and makes a mockery of the oft quoted "partnership approach" with industry.

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