



## **Media Release**

Meat Industry Association of New Zealand (Inc)

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### **Government Pulls Back on Commitment to Competition**

The Meat Industry Association ('MIA') is both frustrated and deeply disappointed by the Government's decision to water-down commitments it made to allow competition in the provision of red meat inspection services, MIA Chairman, Mr Bill Falconer, said today.

Speaking following the passage of the State-owned Enterprises (Agriquality Ltd and Asure New Zealand Ltd) Bill ('the Bill'), Mr Falconer noted that the Commerce Select Committee report on the Bill clearly records that the Government gave two important undertakings in return for the Committee's support.

'The first was to allow export meat processors to contract non-government providers of export red meat inspection services wherever the destination market allows non-government inspection to occur. The second was to provide for a Commerce Commission review of the pricing under the Government-imposed monopoly that would apply for destination markets that have not accepted non-government meat inspection.

'The amendments proposed by United Future to give effect to this commitment were endorsed by Labour members at the second reading of the Bill'.

When the Government finally unveiled the amended text hours before the final vote on the Bill, however, the Government had clearly backed away from its commitment – imposing a wholly arbitrary requirement that two-thirds of New Zealand's trading partners must accept non-government export red meat inspection before the Government would allow it.

'There is no logic to this two-thirds threshold' said Mr Falconer. 'Private sector meat inspection is already permitted under New Zealand law for domestic products. If private sector inspection is also acceptable to an overseas regulatory authority, why should exporters supplying that market not have choice?'

Mr Falconer is further concerned that the last-minute amendments to the Bill introduced by the Government would also see the export meat industry forced to pay for the costs of the Commerce Commission review.

'The Government has reached the perverse conclusion that the costs of policing a monopoly that it has consciously chosen to impose in the face of wide-spread consumer opposition should be met by those very consumers that need protection. This is unprincipled.'

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*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.*