



Submission on
Ministry of Primary Industries proposal
to maintain and expand New Zealand
Food Safety's regulatory services
under the Food Act 2014 (Food Act)
March 2024

About the Brewers Guild of New Zealand

BGNZ represents around 85 breweries of all shapes and sizes throughout New Zealand from the largest of breweries in New Zealand, to small microbreweries. Our members represent not only the full scale of the New Zealand's brewing industry they also represent businesses across all manner of geographical locations – from central Auckland to the middle of the Mackenzie country.

Many of our businesses operate tap rooms, small local bars, and bars and restaurants of a larger scale, all of which are considered core parts of their communities.

To give some scale to our industry and our membership base*:

- The brewing industry contributed \$3.3B to the NZ Economy in 2022
- Brewing provided the Govt with \$896M in taxes (estimated and across GST and Excise)
- There are around 200 Breweries in New Zealand

*(*Information sourced from 2022 Brewing In New Zealand Report, produced by NZIER commissioned by the Brewers Association of New Zealand)*

The Brewers Guild of New Zealand was created to support and give a collective voice to the vibrant, diverse, and socially responsible Kiwi brewing industry.

*This submission has been prepared on behalf of the Brewers Guild of New Zealand, by Melanie Kees, Executive Director of the Brewers Guild. Contact details are: 0275 460 888 or email melanie@brewersguild.org.nz.
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The Brewers Guild of New Zealand wish to make the following comments on Ministry of Primary Industries proposal to maintain and expand New Zealand Food Safety's regulatory services under the Food Act 2014:

As the representative organisation for over 85 breweries in New Zealand this proposal will have an impact on ALL the businesses we represent, many of whom are small businesses who already face significant cost to meet current food safety requirements.

From reading the consultation document we understand that the basic premise behind this is to not only cover costs but to also expand on what is currently being offered.

While the dollar value of the domestic food business levy is not huge, that combined with the proposed Food Import Levy could have a negative financial impact on small breweries across New Zealand, this is at a time when they are already facing extreme pressure to stay in business.

Please see below comments on specific areas of concern that we would like to address in this submission:

1. Expansion of Services:

The proposal refers to improved rules setting, while easing rules that currently place unreasonable regulatory burden on food businesses; timely and addition advisory and education support;

The Brewers Guild would like to see further clarification on the demand for the proposed expansion of services from industry, and details around industry engagement that has helped inform this proposal and the associated proposed service expansion.

The Proposal refers to the Provision of a fair and consistent level of service to food businesses that reflects the level of risk in their business, therefore the Brewers Guild believes that fee increases need to be directly related to the level of risk, and service provision a business received. We believe there needs to be more work done on this before the proposal is implemented.

We also ask that consideration is taken into the cost of developing services and rules for new/emerging technologies used in food production and high-risk processes, and that there is evidence showing sufficient demand for the development of these new services and rules before work begins. The cost associated with these should not impact ALL users of MPI's Food Safety services, especially those who are not employing new technologies or have high-risk processes.

2. Introduction of a Food Importer Levy:

Some of our members import a large quantity of ingredients, and will incur a large importer levy, while other smaller breweries do not import ingredients due to their size and the associated costs. Not importing goods does not mean that these smaller producers will be exempt from the impact of a Food Importer Levy, it simply means that the suppliers they do

purchase from, who import the goods will pass on the cost. Therefore, we expect that nearly all producers, irrelevant of their size or whether they import directly or not will most probably see some financial impact on their costs. This is another cost that producers will incur whether directly that will affect their bottom line.

3. Review of National programme requirements:

The proposal suggests a review and update of National Programme requirements that apply to lower risk businesses.

The Brewers Guild welcome this IF it has a goal to reduce regulatory burden and associated costs on businesses. We do however have some concerns around the associated cost of updating the information and templates we provide to our members. Again, we would like to see industry engagement to ensure that the review and update of National programme requirements are fit for purpose and fit for industry needs.

4. Benefits from guidance and tools offered via this service:

The Brewers Guild agrees that domestic food businesses benefit from the guidance and tools offered, however there are many areas for improvement and simplification of processes. By working more closely with industry to investigate how to streamline the services and simplify the processes there is a possibility that while there may be a requirement for new services, other services could become redundant meaning that there is no need to employ more staff, nor to engage the services of consultants to help inform this project, when MPI can consult directly with industry.

5. Current difficulties in finding information:

Members report that it is both difficult to find what they must do under the Food Act and that finding guidance on matters is also challenging. Audits, where the producers provide all the information to the auditors, are both time consuming and costly. More costly often for those small producers who are in regional areas, who must pay extra travel fees and accommodation for the auditor – all to meet the same regulatory requirements of those in main centres.

The Brewers Guild, engages the services of a Food Safety Specialist to provide templates and a guide to make the process easier for our members. This is at great cost, and while it is a benefit to our members, it would not be required if the guidance and tools provided by MPI were simple to understand user friendly.

As representative of over 85 breweries across the country we know that ALL of our Brewery members will be impacted by the proposed increase in levies, but only SOME of them MAY benefit from the expansion of services MPI proposes, therefore we believe that there needs to be further clarification on the proposed increased services, and clarification on industry engagement that has taken place to inform the proposal and the demand for services as outlined.

On this basis The Brewers Guild of New Zealand does not support the proposal in its current form and is asking for further clarification on the proposed increased services, and clarification on industry engagement that has taken place to inform the proposal and the demand for services as outlined.

Thank you for allowing the Brewers Guild to submit on this proposal.



Melanie Kees
Executive Director
Brewers Guild of New Zealand