



Animal Products (Dairy Industry Fees, Charges, and Levies) Regulations 2015

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 11th day of May 2015

Present:

The Right Hon John Key presiding in Council

Pursuant to sections 117, 118, 121, and 166 of the Animal Products Act 1999, His Excellency the Governor-General makes the following regulations, acting—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister for Food Safety after being satisfied that the requirements of sections 113 and 115 have been met.

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Regulations

1 Title

These regulations are the Animal Products (Dairy Industry Fees, Charges, and Levies) Regulations 2015.

2 Commencement

These regulations come into force on 1 July 2015.

Preliminary provisions

3 Interpretation

In these regulations, unless the context otherwise requires,—

Act means the Animal Products Act 1999

approval costs, for a particular year, means the costs of staff time processing and approving export declarations in that year, and includes overhead costs, as specified by the Director-General by notice under section 167(1)(ma) of the Act

collection agent means—

- (a) a dairy processor whose business includes buying milksolids from a dairy farmer; or

- (b) a person whose business includes buying milksolids from a dairy farmer for supply directly or indirectly to a dairy processor

designated market, export licence, and holder have the same meanings as in section 5(1) of the Dairy Industry Restructuring Act 2001

financial year means the period 1 July to 30 June

large exporter means a registered exporter or other person who exported more than 636 000 kg of dairy products (as based on Customs tariff codes for dairy products) in the previous financial year

large processor means a person with a farm dairy risk management programme who is a collection agent and who collected more than 491 000 kg of milksolids from dairy farmers directly (that is, not through another collection agent) in the previous financial year

medium processor means a person with a farm dairy risk management programme who is a collection agent and who collected more than 16 500 kg and less than or equal to 491 000 kg of raw milksolids from dairy farmers directly (that is, not through another collection agent) in the previous financial year

milksolids means milk-fat and protein components of raw animal milk

small exporter means a registered exporter who exported less than or equal to 636 000 kg of dairy products (as based on the Customs tariff codes for dairy products) in the previous financial year

small processor means a person with a farm dairy risk management programme who—

- (a) is not a collection agent; or
- (b) is a collection agent who collected less than, or equal to, 16 500 kg of milksolids directly (that is, not through another collection agent) in the previous financial year

total number of export declarations means total number of export declarations raised in E-cert by all infant formula exporters in a given year, as fixed by the Director-General by notice under section 167(1)(ma) of the Act.

4 Application

- (1) The fees, charges, and levies set out in the Schedule apply only in relation to—
- (a) dairy processing operations or premises; and
- (b) the export of dairy material or dairy product.
- (2) These regulations do not apply in respect of matters for which a separate fee, charge, or levy is charged under the Animal Products (Fees, Charges, and Levies) Regulations 2007.

*Fees, charges, and levies***5 Fees, charges, and levies**

- (1) The fees, charges, and levies set out in the Schedule are payable in respect of the dairy-related matters to which they relate.
- (2) The fees, charges, and levies are exclusive of goods and services tax.

*Provisions relating to dairy processors***6 Calculation of levy payable by dairy processor**

In calculating the amount of levy payable under the Schedule by a dairy processor, the Director-General must consider the total volume of milksolids collected by that processor from farm dairies in the previous financial year.

7 Provisions relating to large processors

- (1) After the end of each financial year, the Director-General may determine—
 - (a) each large processor's milksolids collection for the previous financial year; and
 - (b) the total milksolids collected for the previous financial year from large processors.
- (2) The Director-General may then invoice each processor for the levy, indicating the processor's milksolids collection for the previous financial year and the total milksolids collected from large processors in the previous financial year.
- (3) A large processor is liable to pay the levy for a medium processor if the application of the prescribed formula in the Schedule in that processor's case produces an amount lower than the levy for a medium processor.

8 Effect of change in collection volume, entering market, or change of business owner

- (1) This regulation applies if, during a financial year,—
 - (a) a small processor's collection of milksolids makes the processor a medium or large processor; or
 - (b) a medium processor's collection of milksolids makes the processor a small or large processor; or
 - (c) a large processor's collection of milksolids makes the processor a medium or small processor; or
 - (d) a processor enters the market.
- (2) A processor to whom this regulation applies must pay the levy for a small, medium, or large processor, as the case may be, until the Director-General next determines each large processor's milksolids collection for the previous financial year and the total milksolids collected for the previous financial year from large processors.

- (3) For the purposes of subclause (2),—
 - (a) a small processor who becomes a medium or large processor is liable to pay the levy for a small processor:
 - (b) a medium processor who becomes a small or large processor is liable to pay the levy for a medium processor:
 - (c) a large processor who becomes a medium or small processor is liable to pay the levy for a large processor:
 - (d) a new entrant is liable to pay the levy for a small processor.
- (4) If the Director-General has some but not full milksolids collection data for the previous financial year, the Director-General may estimate the processor's full-year milksolids collection by interpolating the processor's monthly data from the previous financial year and may make any necessary adjustments to other milksolids collection data.
- (5) If the ownership of a large processor changes, the new owner is liable to pay the processor's levy.
- (6) If a large processor ceases to be a collection agent during any year, the processor is liable to pay the levy for the period in that year up to and including the quarter in which the processor ceases to be a collection agent.

9 Director-General may require information for purpose of calculating levies

- (1) For the purposes of determining whether a processor is a medium processor or a large processor and of determining each large processor's milksolids collection for the previous financial year and the total milksolids collected for the previous financial year from all large processors, the Director-General may require DairyNZ Limited (or its successor) to provide him or her, by the end of August in each year, with—
 - (a) data for the volume of milksolids collection of individual businesses for the previous financial year (by month, if available); and
 - (b) the identity of the individual businesses.
- (2) A non-cow dairy processor who falls within the definition of a medium processor or a large processor must provide the Director-General with the processor's annual milksolids collection data for the previous financial year by the end of August in each year.
- (3) The Director-General may require a cow dairy processor who falls within the definition of a medium processor or a large processor to provide him or her with the processor's milksolids collection data for the previous financial year by a date specified by the Director-General if for any reason DairyNZ Limited (or its successor) could not provide the data.
- (4) DairyNZ Limited (or its successor) and processors must comply with applicable requirements made by the Director-General under subclause (1) or (3).

10 Share of levy for new farm dairy risk management programme registration

- (1) On the registration of a new farm dairy risk management programme (**RMP**), the farm dairy RMP holder is liable to pay a proportionate share of the annual levy that includes payment for the quarter of the financial year in which the registration is approved.
- (2) A person who holds more than 1 farm dairy RMP is liable to pay only 1 levy on registration.

*Provisions relating to dairy exporters***11 Calculation of levy payable by dairy exporters**

In calculating the amount of levy payable under the Schedule by a dairy exporter, the Director-General must consider the total dairy mass exported by that exporter in the previous financial year based on the data provided by the New Zealand Customs Service.

12 Provisions relating to large exporters

- (1) After the end of each financial year, the Director-General may determine—
 - (a) each large exporter's export mass of dairy products for the previous financial year; and
 - (b) the total dairy export mass for all large exporters for the previous financial year.
- (2) The Director-General may then invoice each exporter for the levy, indicating the exporter's export mass for the previous financial year and the total export mass for large exporters in the previous financial year.
- (3) A large exporter is liable to pay the levy for a small exporter if the application of the prescribed formula in the Schedule in that exporter's case produces an amount lower than the levy for a small exporter.

13 Effect of change in dairy mass exported, entering market, or change of business owner

- (1) This regulation applies if, during a financial year,—
 - (a) a small exporter's export mass of dairy products makes the exporter a large exporter; or
 - (b) a large exporter's export mass of dairy products makes the exporter a small exporter; or
 - (c) an exporter enters the market.
- (2) An exporter to whom this regulation applies must pay the levy for a small or large exporter, as the case may be, until the Director-General next determines each large exporter's export mass of dairy products for the previous financial

year and the total dairy export mass from large exporters for the previous financial year.

- (3) For the purposes of subclause (2),—
 - (a) a small exporter who becomes a large exporter is liable to pay the levy for a small exporter:
 - (b) a large exporter who becomes a small exporter is liable to pay the levy for a large exporter:
 - (c) a new exporter is liable to pay the levy for a small exporter.
- (4) If the Director-General has some but not full export mass of dairy products data for the previous financial year, the Director-General may estimate the exporter's full-year export mass of dairy products data by interpolating the exporter's monthly data from the previous financial year.
- (5) If the ownership of a large exporter changes, the new owner is liable to pay the exporter's levy.
- (6) If a large exporter ceases to be an exporter during any year, the exporter is liable to pay the levy for the period in that year up to and including the quarter in which the exporter ceases to be an exporter.

14 Levy payable by new entrants

- (1) If a person becomes a registered exporter during a financial year, the exporter is liable to pay a proportionate share of the annual levy that includes payment for the quarter of the financial year in which the registration is approved.
- (2) A person who holds more than 1 exporter registration is liable only to pay 1 levy on registration.

Miscellaneous provisions

15 Director-General may grant exemption, waiver, or refund

- (1) The Director-General may grant an exemption from, or waive or refund, any fee, charge, or levy specified in these regulations, in whole or in part, in any particular case or class of case.
- (2) The power conferred by subclause (1) includes power to grant an exemption, waiver, or refund in any of the circumstances described in section 112Z(1) of the Act.

16 Collection agents to keep levies in separate trust account

A collection agent must keep levies collected under these regulations in a trust account separate from money charged by the agent to processing businesses for the price of raw milk.

17 Revocation

The Animal Products (Dairy Industry Fees and Charges) Regulations 2007 (SR 2007/131) are revoked.

Schedule

Dairy industry fees, charges, and levies

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Part 1

Fixed fees, charges, and levies

Service area	Fee, charge, or levy*	When fee, charge, or levy payable and by whom
<i>Standards setting, compliance and monitoring</i>		
Development and maintenance of New Zealand standards, performance monitoring, and dairy residue monitoring	$L = \frac{(\text{TCMPI Annual} \times \text{MS last})}{\text{MStotal last}}$ <p>where—</p> <p>L is the levy payable by the processor</p> <p>TCMPI Annual is \$3,441,944, being the Ministry's total cost payable by large processors</p> <p>MS last is the processor's milksolids collection for the previous year</p> <p>MStotal last is the total milksolids collected for the previous year from all large processors.</p> <p>In the items above, year means a 1 July to 30 June year.</p>	Payable by large processors in equal instalments on 30 September, 31 December, 31 March, and 30 June
	\$930	Payable by medium processors on 30 September
	\$465	Payable by small processors on 30 September

Service area	Fee, charge, or levy*	When fee, charge, or levy payable and by whom
Development and maintenance of market access standards and programme and export standards	$L = \frac{[(ETCMPI \text{ Annual} \times EM \text{ last}) \div EMTotal \text{ last}]}{\text{where—}}$ <p>L is the levy payable by the exporter</p> <p>ETCMPI Annual is \$1,258,824, being the Ministry's total cost payable by large exporters</p> <p>EM last is the exporter's dairy export mass for the previous year</p> <p>EMTotal last is the total dairy export mass for all large exporters for the previous year.</p> <p>In the items above, year means a 1 July to 30 June year.</p>	<p>Payable by large exporters in equal instalments on 30 September, 31 December, 31 March, and 30 June, who export dairy products that fall within any of the following Customs tariff codes:</p> <ul style="list-style-type: none"> (a) all codes under 04.01 milk and cream, not concentrated nor containing added sugar or other sweetening matter: (b) all codes under 04.02 milk and cream, concentrated or containing added sugar or other sweetening matter: (c) all codes under 04.03 buttermilk, curdled milk and cream, yogurt, kephir, and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts, or cocoa: (d) all codes under 04.04 whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included:

Service area	Fee, charge, or levy*	When fee, charge, or levy payable and by whom
		<ul style="list-style-type: none"> (e) all codes under 04.05 butter and other fats and oils derived from milk; dairy spreads: (f) all codes under 04.06 cheese and curd: (g) 35.01 casein, caseinates, and other casein derivatives; casein glues: (h) 35.02.20.00 00C: milk albumin, including concentrates of two or more whey proteins: (i) 21.05 ice cream and other edible ice, whether or not containing cocoa: (j) 19.01.10.09.00C and 1901.90.09.28B: these codes cover infant formula, follow on formula and supplementary food for young children and adult nutritional powders: (k) 1702.11.00 00F: containing by weight 99% or more lactose, expressed as anhydrous lactose, calculated on the dry matter: (l) 1702.19.00 00B: containing by weight 99% or more lactose, expressed as anhydrous lactose, calculated on the dry matter and Other: (m) 21.06.10.09.00J: protein concentrates and textured protein substances – Other (non-vegetable protein).
	\$310	Payable by small exporters on 30 September each year
<i>Approvals</i>		
Application for, evaluation of, and approval or variation of risk management programmes and quota compliance programmes	\$155 per application plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant

Service area	Fee, charge, or levy*	When fee, charge, or levy payable and by whom
Application for, evaluation of, and approval or variation of approval of laboratories	\$155 per application plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant
Application for, evaluation of, and approval or variation of codes of practice	\$155 per application plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant
Application for, evaluation of, and recognition, variation, or renewal of agency or person as recognised agency or recognised person under Part 8 of the Act	\$155 per application plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant
Application for agreement to minor amendments of risk management programme	\$77.50 per application plus assessment charge on hourly basis after the first 30 minutes as specified in Part 2	Applicant
<i>Market access functions</i>		
Application for market access functions	\$155 per application plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant
<i>Compliance and monitoring</i>		
Verification inspection and audits	\$155 plus assessment charge on hourly basis after the first hour as specified in Part 2	Payable by occupier of the premises subject to verification inspection and audits
Application for product disposition	\$155 plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant
<i>Official assurances</i>		
Issue of official assurance under section 61 of the Act	\$32 per application plus assessment charge on hourly basis after the first 15 minutes as specified in Part 2	Applicant
Reissue of official assurance under section 64(2) of the Act if replacement assurance demanded by importing country	\$465 per replacement certificate plus assessment charge on hourly basis after the first 3 hours as specified in Part 2	Applicant
<i>Exporter registration</i>		
Application for registration or renewal of registration	\$155 plus assessment charge on hourly basis after the first hour as specified in Part 2	Applicant

Service area	Fee, charge, or levy*	When fee, charge, or levy payable and by whom
<i>Performance of functions, powers, or duties not elsewhere provided for</i>		
Performance or exercise of a function, power, or duty that—	\$77.50 plus assessment charge on hourly basis after the first 30 minutes as specified in Part 2	The person whose actions resulted in the function, power, or duty being required to be performed or exercised
<ul style="list-style-type: none"> • is required to be undertaken under the Act, including under any regulations or notices; and • is not prescribed elsewhere in these regulations 		
<i>Maintenance compounds</i>		
Application for approval of any maintenance compounds that is required to be undertaken under the Act, including under any regulations or notices	\$77.50 per application plus assessment charge on hourly basis after the first 30 minutes as specified in Part 2	Applicant
<i>Infant formula</i>		
Issue of exporter declaration for infant formula export	$F1 = (TAC1 \div TED1)$ where— F1 is the fee per declaration payable in the first year on application by the applicant TAC1 is the estimated total approval costs payable in the first year TED1 is the estimated total number of export declarations in the first year. In the items above, year means a 1 July to 30 June year. $FP = (TACP \div TEDP)$ where— FP is the fee per declaration payable by the exporter TACP is the total approval costs for the previous year TEDP is the total number of export declarations in the previous year. In the items above, year means a 1 July to 30 June year.	Payable by the exporter within 1 month of issue of the invoice
*Fee, charge, or levy exclusive of any applicable costs payable under Parts 3 and 4		

Part 2

Assessment charges on hourly basis

Where Part 1 specifies an assessment charge on an hourly basis, that charge is to be determined as follows for each hour (or final part-hour) beyond the first 15 minutes, the first 30 minutes, the first hour, or the first 3 hours, as the case may be, spent on assessing the matter concerned:

Category	Fee (\$)
(a) For each hour (excluding final part-hour) spent by an officer or employee of the Ministry, or a person engaged by the Ministry who is not an officer or employee	155.00
(b) For each 15-minute block in final part-hour spent under paragraph (a)	38.75

Part 3

Costs incurred by Ministry at request of operator, etc

- 1 Actual and reasonable costs, including actual and reasonable incidental and additional costs, incurred by a Ministry employee, or a person engaged by the Ministry who is not an employee, may be recovered by the Ministry where those costs arise from a request by, or an act or omission of, any person under the Act or regulations or notices made under the Act.
- 2 The costs in clause 1 include, but are not limited to,—
 - (a) the costs of external review, expert review, notification, product testing, travel, and accommodation; and
 - (b) disbursements such as the costs of photocopying, printing and stationery, telephone, fax, video conferencing, postage, and couriers.
- 3 For technical staff providing support for the delivery of specialist services in relation to functions, duties, or powers under the Act or any regulations or notice made under the Act, a fee of \$155 per hour is payable, in 15-minute increments, by the person whose actions result in the function, duty, or power being required to be exercised or performed.

Part 4

Travel costs

Where travel of an officer or employee of the Ministry is required for any of the matters specified in this schedule, an additional amount of \$0.67 per kilometre travelled by the officer or employee is payable in addition to the relevant fee or charge.

Part 5

Charges for use of electronic certification system

- 1 For industry users that access the Ministry's electronic certification system, charges based on the following formula are payable in respect of each database request and each second of time spent on the server:

$$(\text{cost per request} + \text{cost per second}) \times \text{appropriate percentage}$$

where—

cost per request is the amount specified from time to time by the Director-General by notice under section 167(1)(ma) of the Act for each database request, having regard to clause 2

cost per second is the amount specified from time to time by the Director-General by notice under section 167(1)(ma) of the Act for each second of time on the server, having regard to clause 2

appropriate percentage is,—

- (a) for industry users of a class for which recognised agency use of the electronic certification system is not required, 55%:
 - (b) for all other industry users, 100%.
- 2 In setting any cost per request or cost per second, the aim is for those costs to reflect usage of the electronic certification system for the relevant year or other period, with regular updating if appropriate.
- 3 This Part applies to all users of the electronic certification system.

Part 6

Fee for services of certification and reconciliation

1 Quarterly fee payable by holder of export licence

- (1) A fee is payable for services of certification and reconciliation provided by the Ministry in relation to the regulated control scheme described in regulation 3 of the Animal Products (Regulated Control Scheme—Dairy Export Quota Products) Regulations 2008 (the **services**).
- (2) The holder of an export licence on 1 July, 1 October, 1 January, or 1 April must pay the fee on that date (the **payment date**).
- (3) The fee is calculated as follows:

$$\text{fee} = [(\text{amount to recover for year} \div 4) \times (\text{holder's allocated quantity} \div \text{total allocated quantity})]$$

where—

amount to recover for year is the amount, as specified from time to time by the Director-General by notice under section 167(1)(ma) of the Act, that needs

to be recovered to fund the services in relation to all holders of export licences for the financial year in which the payment date falls

holder's allocated quantity is the total quantity (in tonnes) of all products in all designated markets for which the holder holds an export licence on the payment date

total allocated quantity is the total quantity (in tonnes) of all products in all designated markets for which all holders hold export licences on the payment date.

Part 7

Ministry verification charges

Preliminary provisions

1 The charges set out in this Part apply where any verification function under the Act is carried out by an officer or employee of the Ministry.

2 The charges set out in this Part are exclusive of goods and services tax, and goods and services tax on these charges will be added to the total invoice.

3 In this Part,—

4 × 10-hour day roster means designated hours of work that are identified by the employer as a 4 × 10 hour day roster

after-hours callout charges refers to charges that are payable for hours where a veterinary or non-veterinary verifier performs verification functions at any place or premises outside of normal agreed hours of work, and are chargeable for those hours in substitution for any establishment or circuit charges

breakfast shift refers to the situation where the verification functions carried out by a verifier in any day are commenced before 6 am

circuit charges refers to charges payable in respect of any place or premises where the verification or advice functions are performed by Ministry staff who are not permanently or semi-permanently based at the place or premises

disestablishment charges means the charges payable in respect of the disestablishment of the position of a veterinary verifier due to the closure of an operator's premises or the reduction of operations at those premises

double time refers to overtime hours worked by a verifier for which the verifier is entitled, by his or her employment contract, to double time rates

establishment charges refers to charges payable in respect of any place or premises where the verification functions are performed by Ministry verifiers who are permanently or semi-permanently based at the place or premises

non-veterinary verifier means a verifier who is not a veterinarian registered under the Veterinarians Act 2005

penal rate 0.5 means—

- (a) the rate per hour of penal time worked by an employee during the period between midnight and 2 am from Monday to Thursday; and
- (b) the rate per hour of the first 3 hours of penal time worked by an employee during the period between—
 - (i) midnight at the end of Friday; and
 - (ii) midday Saturday; and
- (c) the rate per hour of penal time worked by an employee for the ninth and tenth hours between 6 am and 10 pm when an employee worked a 4 × 10-hour day roster between Monday and Friday

penal rate 1.0 means—

- (a) the rate for every hour of penal time worked by an employee during the period between 2 am and 6 am from Monday to Friday other than hours to which penal rate 0.5 applies; and
- (b) the rate for every hour of penal time worked by an employee during the period between midnight at the end of Friday and midnight at the end of Sunday other than hours to which penal rate 0.5 applies; and
- (c) the rate for every hour of penal time worked by an employee on a statutory holiday; and
- (d) the rate per hour of penal time worked by an employee for the ninth and tenth hours between 10 pm and 6 am when an employee worked a 4 × 10-hour day roster between Monday and Friday

penal rate 2.0 means the rate for every hour of penal time worked by an employee other than hours to which penal rates 0.5 and 1.0 apply

penal time refers to hours worked by a verifier for which the verifier is entitled, by his or her contract of employment, to penal rates, being hours (other than overtime) worked within a 40-hour week from Monday to Sunday or on a statutory holiday

reserve rate refers to the rate for hours worked by a reserve verifier

reserve verifier means a temporary veterinary verifier or supervising veterinary verifier who undertakes the work of an establishment verifier while that verifier is on annual leave or is otherwise absent on a temporary basis

shift rates refers to the rates applicable to the case where a verifier is entitled, by his or her employment contract, to extra remuneration for working shifts

supervising veterinary verifier means a veterinary verifier who has prime responsibility for the verification functions at a place or premises

time and a half, or 1½ time, refers to overtime hours worked by a verifier for which the verifier is entitled, by his or her employment contract, to time-and-a-half rates

veterinary verifier means a verifier who is a veterinarian registered under the Veterinarians Act 2005.

1 Establishment charge

A Basic hourly charge on export and game sectors

For each hour of normal time (but not penal time hours or 1½ or double time hours) spent by a verifier in verification functions \$44.90

B Hourly charges for verifiers

(1) Veterinary verifier—

(a) non-shift rates—

per hour \$70.30
per hour at 1½ time \$105.50
per hour at double time \$140.60

(b) shift rates

the relevant rate specified in paragraph (a), plus an additional rate of—

- (i) \$41.00 per shift per verifier for evening shift
- (ii) \$41.00 per shift per verifier for night shift

(c) penal rates

the relevant rates specified in paragraphs (a) and (b), plus an additional rate of—

- (i) \$35.20 per hour per verifier for penal time worked at penal rate 0.5
- (ii) \$70.30 per hour per verifier for penal time worked at penal rate 1.0
- (iii) \$140.60 per hour per verifier for penal time worked at penal rate 2.0

(d) reserve rate

\$70.30 per hour for each hour worked by a reserve verifier

(2) Supervising veterinary verifier—

(a) non-shift rates—

per hour \$75.10
per hour at 1½ time \$112.60
per hour at double time \$150.20

(b) shift rates

the relevant rate specified in paragraph (a), plus an additional rate of—

- (i) \$41.00 per shift per verifier for evening shift
- (ii) \$41.00 per shift per verifier for night shift

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(c)	penal rates	the relevant rate specified in paragraphs (a) and (b), plus an additional rate of—
		(i) \$37.60 per hour per verifier for penal time worked at penal rate 0.5
		(ii) \$75.10 per hour per verifier for penal time worked at penal rate 1.0
		(iii) \$150.20 per hour per verifier for penal time worked at penal rate 2.0
(d)	reserve rate	\$75.10 per hour for each hour worked by a reserve verifier
2	Circuit charge	
A	<i>Basic hourly charge on primary processors who slaughter or dress animals other than fish</i>	
	Charge for each hour spent by a verifier in verification function for animals other than fish	\$44.90 per hour
B	<i>Basic hourly charge on secondary processors (other than processors of fish and operators of coolstores or other storage premises)</i>	
	Charge for each hour spent by a verifier in verification function	\$44.90 per hour
C	<i>Hourly charges for verifiers</i> (for all verification activities)	
	Verifier—	
(a)	non-penal rates—	
	per hour (excluding seafood and coolstore premises)	\$120.10
	per hour for seafood and coolstore premises	\$120.10
	per hour at 1½ time	\$180.10
	per hour at double time	\$240.10
(b)	penal rates	the relevant rate specified in paragraph (a), plus an additional rate of—
		(i) \$60.10 per hour per verifier for penal time worked at penal rate 0.5
		(ii) \$120.10 per hour per verifier for penal time worked at penal rate 1.0
		(iii) \$240.10 per hour per verifier for penal time worked at penal rate 2.0
3	After-hours callout charge	
A	<i>Minimum charge</i>	
	Minimum charge for any individual after-hours callout, however long	charge for 3 hours at the relevant rate under item B (plus flat rate of \$8.70 breakfast shift charge, if applicable)

- B *Hourly charges for verifiers*
- | | | |
|-----|-------------------------|---|
| (a) | per hour | \$75.00 (plus flat rate of \$8.70 breakfast shift charge, if applicable) |
| (b) | per hour at 1½ time | \$125.00 (plus flat rate of \$8.70 breakfast shift charge, if applicable) |
| (c) | per hour at double time | \$150.00 (plus flat rate of \$8.70 breakfast shift charge, if applicable) |

4 Disestablishment charges

A *Where verifier employed by operator for less than 12 months*

Either—

- (a) the actual cost of transfer or relocation; or
- (b) the actual cost of retraining; or
- (c) the actual cost of the matters specified in paragraphs (a) and (b), if both are applicable; or
- (d) the lesser of—
- (i) the actual cost of redundancy; or
- (ii) the amount derived by multiplying the total ordinary pay during the period employed by 0.04165—

but in no case is the charge under paragraph (a), (b), (c), or (d) to exceed \$55,000.

B *Where verifier employed by operator for 12 months or more*

Either—

- (a) the actual cost of transfer or relocation; or
- (b) the actual cost of retraining; or
- (c) the actual cost of the matters specified in paragraphs (a) and (b), if both are applicable; or
- (d) the lesser of—
- (i) the actual cost of redundancy; or
- (ii) an amount calculated using the following formula:

$$(a \times 0.08) + (a \times 0.04)(b - 1) + (a \times c \times 0.0333) + (da)$$

where—

- a is the veterinary verifier's total ordinary pay for the immediately preceding 12 months
- b is the lesser of 19 or the number of completed years of employment with the operator
- c is any completed months of employment in respect of an additional period of employment with the operator of less than 12 months
- d is—
- 0.10 if the period of employment completed is 1 year or more but not more than 3 years
- 0.20 if the period of employment completed is more than 3 years but not more than 5 years
- 0.29165 if the period of employment completed is more than 5 years

but in no case is the charge under paragraph (a), (b), (c), or (d) to exceed \$55,000.

5 Charge for establishing verification services premises at any location

The actual and reasonable costs associated with establishing a full-time Verification Services presence at any premises, including, but not limited to,—

- (a) capital items such as computer terminals, monitors, printers, office furniture, storage, phones, and technical equipment; and
- (b) expenses such as costs for recruitment, transfer, relocation, induction and training, salaries, new health and safety equipment, new folders, stationery, lockable cupboards, inspection stamps, and reject and hold tags

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

Regulation 1 relates to the Title.

Regulation 2 provides that the regulations come into force on 1 July 2015.

Regulation 3 defines terms used in the regulations.

Regulation 4 relates to the application of the regulations. The fees, charges, and levies set out in the *Schedule* apply to dairy processing operations or premises and to the export of dairy material or dairy product. These regulations do not apply to matters for which fees, charges, or levies are prescribed by the Animal Products (Fees, Charges, and Levies) Regulations 2007.

Regulation 5 provides that the fees, charges, and levies are set out in the *Schedule* and are GST exclusive.

Regulation 6 provides that, in calculating the amount of levy payable by a dairy processor, the Director-General must consider the total volume of milksolids collected by that processor from farm dairies in the previous financial year.

Regulation 7 provides for the manner in which the total amount of annual levies payable by large processors are determined.

Regulation 8 provides for the effect of changes that affect the status of a processor, including changes in collection volume, processors entering the market, or changes of business owner.

Regulation 9 authorises the Director-General to require dairy processors to provide information for the purposes of determining whether a processor is a medium processor or a large processor and of determining each large processor's milksolids collection for the previous financial year and the total milksolids collected for the previous financial year from all large processors.

Regulation 10 provides that, on the registration of a new farm dairy risk management programme, the registered person is liable to pay a share of the annual levy based on the quarter of the financial year in which the registration is approved.

Regulation 11 provides that, in calculating the amount of levy payable by a dairy exporter, the Director-General must consider the total dairy mass exported by that ex-

porter in the previous financial year based on the data provided by the New Zealand Customs Service.

Regulation 12 provides for the manner in which the total amount of annual levies payable by large exporters is determined.

Regulation 13 provides for the effect of changes that affect the status of an exporter, including changes in export mass, exporters entering the market, or changes of business owner.

Regulation 14 provides that, if a person becomes a registered exporter during a financial year, the exporter is liable to pay a share of the annual levy based on the quarter of the financial year in which the registration is approved.

Regulation 15 authorises the Director-General to grant an exemption from, or to waive or refund, any fee, charge, or levy. This power includes power to grant an exemption, waiver, or refund in any of the circumstances described in section 112Z(1) of the Animal Products Act 1999 (an application made under section 107 of that Act by 1 person for more than 1 type of recognition, an application made under section 112C of that Act by 1 person to renew more than 1 type of recognition, or 1 person is liable under section 112F of that Act to pay a prescribed fee, charge, or levy for ongoing recognition under more than 1 of sections 101 to 105 of that Act).

Regulation 16 requires collection agents to keep levies collected under these regulations in a trust account separate from money charged by the agent to processing businesses for the price of raw milk.

Regulation 17 revokes the Animal Products (Dairy Industry Fees and Charges) Regulations 2007 (SR 2007/131).

The *Schedule* prescribes the rates of fees, charges, and levies. New items include—

- an annual levy for development and maintenance of New Zealand standards, performance monitoring, and dairy residue monitoring:
- an annual levy for development and maintenance of market access standards and programme and export standards:
- performance or exercise of a function, power, or duty required to be undertaken under the Animal Products Act 1999 and not prescribed elsewhere in the regulations:
- an application fee for the issue of an exporter declaration for infant formula export:
- rates and provisions are aligned with comparable rates and provisions in the Animal Products (Fees, Charges, and Levies) Regulations 2007 (as amended by the Animal Products (Fees, Charges, and Levies) Amendment Regulations 2015).

Regulatory impact statement

The Ministry for Primary Industries produced a regulatory impact statement on 18 March 2015 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <http://mpi.govt.nz/law-and-policy/legal-overviews/regulatory-impact-statements/>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

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These regulations are administered by the Ministry for Primary Industries.