

VOTE *Food Safety*

Food Safety

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Food Safety in 2007/08 total \$89.302 million. This is intended to be spent as follows:

- \$3.126 million (3.5% of the departmental appropriations in this Vote) on providing policy advice.
- \$40.310 million (45.2% of the departmental appropriations in this Vote) on setting of regulatory standards for food and food related products.
- \$383,000 (0.4% of the departmental appropriations in this Vote) on responses to food safety emergencies.
- \$4.292 million (4.8% of the departmental appropriations in this Vote) on systems audit and enforcement.
- \$3.432 million (3.8% of the departmental appropriations in this Vote) on consultation and food safety information.
- \$37.759 million (42.3% of the departmental appropriations in this Vote) on delivery of regulatory programmes.

Departmental appropriations totalling \$89.302 million are funded by \$29.411 million (33%) of revenue Crown and \$59.891 million (67%) of revenue other.

Non-Departmental Appropriations

Non-departmental appropriations sought for Vote Food Safety in 2007/08 total \$1.790 million and relate to New Zealand's obligations under the Joint Australia New Zealand Food Standards Setting Treaty.

Further information and explanations of the appropriations appear in Part B1 and C of this Vote.

Terms and Definitions Used

ESR	Institute of Environmental Science and Research Ltd
MAF	Ministry of Agriculture and Forestry
NZFSA	New Zealand Food Safety Authority
PHU	Public Health Unit

Minister Portfolio Table

33	Minister for Food Safety
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Food Safety

ADMINISTERING DEPARTMENT: Ministry of Agriculture and Forestry
The Minister of Agriculture is the Responsible Minister for the Ministry of Agriculture and Forestry

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Related Government Outcomes

The appropriations in Vote Food Safety will make a significant contribution to the Government's priorities. They will fund advice and services from the New Zealand Food Safety Authority (NZFSA) aimed at protecting and promoting public health and safety in relation to food and food-related products and developing the economy by facilitating access to international markets for food and food-related products.

In particular they will contribute to the following Government themes:

- economic transformation, and
- Families - Young and Old.

Context

For New Zealand, safe and nutritious food is a priority, not just to protect the health of New Zealanders but also because exports of food and beverages form the basis of our economic well-being. More than 80% of the food produced here is exported, providing almost half of our export income. New Zealand food exports must meet the requirements of an increasingly demanding global environment. Few countries are as dependent as is New Zealand on a sound food regulatory programme to care for both domestic consumers and vital export food industries.

NZFSA is a semi-autonomous body attached to the Ministry of Agriculture and Forestry (MAF) and its outcomes and objectives are reflected in the MAF Statement of Intent.

Outcomes

The work of NZFSA contributes to three strategic outcomes for New Zealand:

- healthy New Zealanders
- New Zealand's economic growth and prosperity enhanced through high-performing and innovative agricultural, horticultural, food and forestry sectors
- safe, freer, rules-based and non-distortionary trade.

Intermediate Outcomes

To deliver on Government's outcomes, NZFSA has identified four intermediate outcomes:

1. Safe and suitable food for New Zealanders

This is NZFSA's major strategic priority and requires:

- a policy and regulatory environment that facilitates effective food administration
- consistent application of NZFSA's framework for managing risk
- risk-based food safety standards developed using credible technical and risk analysis expertise
- fair representation of stakeholder interests in policy development and regulatory decisions and in the wider management of the programme
- measurement and review of the performance of the food regulatory programme.

NZFSA will develop a food regulatory programme that is credible to consumers by effectively communicating food safety, nutrition and suitability information, involving them in decision-making processes and by providing information to enable them to make informed food choices.

2. Market access for New Zealand's animal and plant products

NZFSA must negotiate market access conditions and establish certification requirements with the competent authorities of countries importing New Zealand's animal and plant products. Achieving this involves managing bilateral agreements, trading partner relationships and equivalency negotiations. NZFSA provides appropriate risk management inputs for food safety related events and emergencies that affect trade and NZFSA's bilateral relationships.

3. New Zealand's reputation for consistent and principled application of international trade rules protected and enhanced

International trade in food and related products relies on consistent application of the principles of the World Trade Organisation's Sanitary and Phytosanitary (SPS) Agreement to ensure health-based requirements are science- and risk-based; proportionate to the specific risks involved and do not create unnecessary technical barriers to trade. NZFSA must ensure that these are applied consistently and that trade is treated as a 'two way street' by:

- applying international trade agreements and protocols in a consistent manner to both imported and exported food and food related products
- influencing the setting of relevant non-NZFSA standards that affect food and food related products to ensure proportionality to risk and consistency with international obligations, and
- Establishing and maintaining effective liaison with other government trade-related agencies.

NZFSA must be regarded as a trusted competent authority, providing credible assurances attesting to the safety and suitability of food and related exports.

4. A food regulatory environment that supports innovation, enterprise and high performance

NZFSA must create a consistent regulatory environment that provides commercial certainty and empowers and enables the New Zealand food industry to meet its responsibility to provide safe, nutritious and suitable food. Regulation must be the minimum necessary to ensure effective controls, be applied consistently and equitably across the country and whole-of-government interests must be taken into account.

Policy development and regulatory decisions must involve industry. Effective alliances, networks and linkages need to be established and maintained so that food administration reflects the whole of Government interests.

Output Expenses

To achieve these objectives, the appropriations in Vote Food Safety are intended to fund a wide range of activities, including policy advice and/or other services relating to:

- food safety and nutrition policies and strategies influencing consumer health, economic growth and prosperity and international trade
- regulatory standards for food and food-related products
- responses to food safety emergencies
- systems audit and enforcement
- consultation and the communication of food safety and nutrition information, and
- regulatory food programmes.

Part A2 - Trends in Vote

Vote Food Safety was established on 1 July 2002.

A number of Vote Food Safety outputs are revenue-dependent appropriations and change according to the level of activity each year.

In 2003/04, additional Crown funding was provided to address cost recovery inequities arising from the establishment of the new Vote and the NZFSA.

In 2004/05 additional Crown funding was provided for:

- report backs and addressing identified gaps following the establishment of the NZFSA
- implementation of a document and records management system
- employment negotiations
- new MAF Head Office accommodation
- improving MAF's corporate capability.

In 2005/06 and 2006/07 additional Crown funding was provided for:

- facilitate alignment of NZFSA Public Health Unit and research and monitoring contracts
- wine export certification and testing.

In 2007/08 additional Crown funding was provided for staff remuneration, implementation of food reviews and the joint Australia New Zealand Food Standard Setting Treaty.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Wine Export Certification and Testing	Departmental Output Expense - Regulatory Standards	1,191	1,520	1,985	1,985	1,985
Joint Australia and New Zealand Food Standard Setting Treaty	Other Expenses to be Incurred by the Crown - New Zealand and Australia Joint Food Standards Setting Treaty	-	790	500	500	500
Staff Remuneration	Departmental Output Expense - Consultation and Food Safety Information	-	100	163	224	276
	Departmental Output Expense - Food Safety Policy Advice	-	152	244	341	417
	Departmental Output Expense - Regulatory Standards	-	713	1,154	1,611	1,965
	Departmental Output Expense - Response to Food Safety Emergencies	-	19	25	35	42
	Departmental Output Expense - Systems Audit and Enforcement	-	140	225	315	384
Implementation of Food Reviews	Departmental Output Expense - Consultation and Food Safety Information	-	500	500	-	-
	Departmental Output Expense - Food Safety Policy Advice	-	500	500	-	-
	Departmental Output Expense - Regulatory Standards	-	1,500	1,500	-	-
Total Initiatives		1,191	5,934	6,796	5,011	5,569

Part B - Statement of Appropriations

Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used				2008/09	2009/10	2010/11	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	62,694	65,873	73,763	76,580	85,952	84,202	89,302	-	-	-	89,302	90,304	88,519	88,832
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	1,790	-	1,790	1,500	1,500	1,500
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	62,694	65,873	73,763	76,580	85,952	84,202	89,302	-	1,790	-	91,092	91,804	90,019	90,332
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Consultation and Food Safety Information (M33)	2,833	-	2,833	-	3,432	-	Consultation and communication of food safety information and other relevant matters to stakeholders (including the public).
Food Safety Policy Advice (M33)	2,476	-	2,476	-	3,126	-	Policy advice on food safety issues and ministerial services.
Regulatory Programmes (M33)	37,759	-	37,009	-	37,759	-	The delivery of regulatory programmes by District Health Boards and the NZFSA Verification Agency.
Regulatory Standards (M33)	38,366	-	37,366	-	40,310	-	Setting of technical standards to ensure food-related products are produced in accordance with New Zealand legislation and meet requirements negotiated with countries that import New Zealand products.
Response to Food Safety Emergencies (M33)	364	-	364	-	383	-	Response preparedness, food recalls and actual responses to food safety emergencies.
Systems Audit and Enforcement (M33)	4,154	-	4,154	-	4,292	-	Audit of component systems and specific areas within the regulatory programme, as well as investigations of problems, complaints and breaches of legislation.
Total Departmental Output Expenses (General)	85,952	-	84,202	-	89,302	-	
Other Expenses to be Incurred by the Crown							
New Zealand and Australia Joint Food Standards Setting Treaty (M33)	-	-	-	-	1,790	-	Production of joint food standards for Australia and New Zealand by Food Standards Australia New Zealand. Reason for Change: Previously appropriated under departmental output expense Regulatory Standards.
Total Other Expenses to be Incurred by the Crown	-	-	-	-	1,790	-	
Total Appropriations	85,952	-	84,202	-	91,092	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Consultation and Food Safety Information

Consultation with stakeholders (including the public) and other key groups including the New Zealand Food Safety Advisory Board, the Consumers Forum and the Officials Committee on Food Safety is included in this output expense. Also included is communication of food safety and nutrition information, particularly regulatory, scientific and other relevant matters to stakeholders, consumer food safety and nutrition education and information and communication aspects of managing issues.

Food Safety Policy Advice

This output expense includes purchasing policy advice and decision support for the Minister and Government on food safety, nutrition and related issues. It includes analysis and advice on legislation and policy to be applied to all aspects of food administration to ensure a robust, modern, comprehensive legislative base, implementation tools, and mechanisms to measure its effectiveness. Services to assist the Minister are also included.

Regulatory Programmes

This output expense covers those core and primary components of the regulatory programme where arrangements exist to contract regulatory services.

District Health Boards are contracted to provide a range of functions across the public health continuum including oversight of parts of the programme at a local level; investigation of possible cases of food-borne illness and linkage to wider public health areas.

NZFSA Verification Agency provides verification functions to the animal products industries.

Regulatory Standards

Food and food-related products must be produced in accordance with New Zealand legislation and, where appropriate, meet the requirements negotiated with countries importing New Zealand products to enable official assurances necessary for market access. Regulatory Standards covers the setting of technical standards to achieve this and to otherwise meet consumer protection requirements. Standards for ancillary legislation associated with controls on inputs into food protection are included. The setting of operational standards and the development of monitoring and review mechanisms to measure performance and to support reports to the Minister, as well as providing official assurances are included.

Specific activities include the development of standards for:

- development of science programmes to provide information necessary for standard setting
- processed foods and retail sale
- composition and labelling
- food imports
- primary processing and exports of dairy, wine and plant products

- primary processing and exports of animal products
- agricultural compounds, veterinary medicines and chemical contaminants.

Response to Food Safety Emergencies

Food safety emergencies are to be expected and need to be handled in a systematic manner. The setting of standards for this purpose is covered, including food safety emergencies where there is a need to be prepared for emergencies and to handle events in a systematic manner to reduce threats to human health and/or impacts on the integrity of the programme. It includes the co-ordination of routine food recalls and communication with affected parties and those at risk as well as responses to food safety emergencies. Responses are demand driven and budgeted on a case by case basis.

Specific activities will include advice on and activities related to:

- response preparedness
- management of food recalls
- responses to food emergencies.

Systems Audit and Enforcement

This output expense covers the audit of component systems and specific areas within the food regulatory programme, as well as investigations of problems and complaints and suspected breaches of legislation. It includes obtaining the necessary evidence that the programme is effective in meeting policy objectives and that it is being enforced.

Specific activities include:

- monitoring and surveillance for compliance with standards
- consumer complaints and food-borne illness
- investigation of suspected illegal activity
- prosecutions.

Part G - Statement of Reconciliations

Part G1 - Changes in Appropriation Categories

In 2007/08, a new other expense to be incurred on behalf of the Crown appropriation has been established for New Zealand's contribution to the development of joint food standards for Australia and New Zealand. Previously this expenditure was appropriated under departmental output expense Regulatory Standards.

2006/07 Cumulative Vote in Old (2006/07) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2007/08) Structure	2006/07 \$000	2007/08 \$000
Departmental Output Expenses				Departmental Output Expenses		
Regulatory Standards	38,366	To New Zealand Australia Joint Food Standards Setting Treaty	(1,000)	Regulatory Standards	37,366	40,310
Other Departmental Output Expenses	47,586			Other Departmental Output Expenses	47,586	48,992
Other Expenses to be Incurred on Behalf of the Crown				Other Expenses to be Incurred on Behalf of the Crown		
		From Regulatory Standards	1,000	New Zealand Australia Joint Food Standards Setting Treaty	1,000	1,790
Total Vote	85,952		-		85,952	91,092