

VOTE *Food Safety*

Food Safety

Overview

Appropriations sought for Vote Food Safety in 2002/03 total \$72.094 million (GST inclusive). This is intended to be spent as follows:

- \$1.645 million (2.3% of the Vote) on providing policy advice.
- \$31.007 million (43% of the Vote) on the setting of regulatory standards for food and food related products.
- \$0.112 million (0.2% of the Vote) on responses to food safety emergencies.
- \$4.464 million (6% of the Vote) on systems audit and enforcement.
- \$1.062 million (1.5% of the Vote) on consultation and food safety information
- \$33.804 million (47% of the Vote) on the delivery of regulatory programmes.

Departmental appropriations totalling \$72.094 million are funded by \$20.886 million (29%) of Revenue Crown and \$51.208 million (71%) of Revenue Other.

Details of how the appropriations are to be applied appear in Parts B1 and C of this Vote.

Terms and Definitions Used

| | |
|--------------|--|
| ANZFA | Australia New Zealand Food Authority |
| Codex | International Food Standards Setting Body |
| CRI | Crown Research Institute |
| NZFSA | New Zealand Food Safety Authority |
| OIE | Office International des Epizooties (World Organisation for Animal Health) |

Food Safety

VOTE MINISTER: Minister for 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 Food Safety

The New Zealand Food Safety Authority (NZFSA) exists to ensure consumers have access to safe and suitable food and to provide food exports with Government to Government assurances as required.

Related Government Goals

NZFSA's roles are to:

- Protect and promote public health and safety in relation to food and food-related products, and
- Facilitate access to markets for food and food-related products.

The Government in February 2000 published a set of key goals to guide the public sector. While NZFSA will make a contribution to a number of these goals, the outcome of our work will primarily contribute to the two government goals quoted below:

Grow an Inclusive, Innovative Economy for the Benefit of all: Develop an economy that adapts to change, provides opportunities and increases employment, and while reducing inequality, increases incomes for all New Zealanders.

Protect and Enhance the Environment: Treasure and nurture our environment with protection for eco-systems so that New Zealand maintains a clean, green environment and rebuilds our reputation as a world leader in environmental issues.

Output Classes

Outputs purchased from the NZFSA will contribute to the Government's key goals in varying degrees.

NZFSA has categorised its work into a number of areas, with ongoing work programmes designed to achieve long-term goals over a ten-year period. Each of the areas is listed below, with the major initiatives planned for 2002/03.

Strategic Issues

The work programme for the Minister for Food Safety for 2002/03 will cover the following strategic issues:

Policy Framework

The maintenance and enhancement of a coherent policy framework that will facilitate overarching government food regulatory goals will be an area of strategic focus for NZFSA in 2002/03. This policy framework should underpin a legislative base for food regulation that is comprehensive, robust and can accommodate future innovation and practice with minimal amendment. Implementation of this legislative base should be subject to on-going performance measurement.

Communication and Consultation

All relevant stakeholder groups must be involved to the maximum extent possible in each regulatory process. Additional consultative fora need to be set up as future stakeholder needs and expectations are better identified.

Communication with stakeholders on all regulatory and other relevant matters will be necessary to underpin the work of the NZFSA. Provision of general information on a wide range of food regulatory issues will better inform consumers and will help build confidence in the programme.

Regulatory Standards

Clear, consistent and effective standards are the core of a successful food regulatory programme. In a contemporary food regulatory environment, standards must be applied at points in the food chain where implementation is most practical and where there is the most significant impact on reducing food-borne risks to consumers.

Standards need to be based on sound science and risk assessment, with due regard to uncertainties in scientific information. Wherever possible, standards should be focussed on achieving verifiable outcomes, attain the desired result with minimal regulatory intervention and ensure that the production of safe food, suitable for human consumption is primarily the responsibility of industry.

Standards set by bilateral trading partners and imposed on industry as a condition of market access will be challenged by the NZFSA if the standards add to compliance costs and are not scientifically supportable under New Zealand conditions. A particular strategic focus of the NZFSA will be to influence international standards set under the auspices of Codex and OIE, to achieve standards that are soundly based on science and are not prejudicial to the needs of New Zealand consumers and industry. The same approach will be taken to standards set under the joint food standard setting arrangements with Australia

Standards need to be set in full consultation with stakeholders and actively enforced.

Performance of the Regulatory Programme

Monitoring the effectiveness of food policies and standards and reviewing them as necessary is a key feature of operating under a risk management framework. Similarly, the effectiveness of overarching legislation needs to be reviewed and evaluated on an on-going basis. These core activities include on-going evaluation of the performance of industry in implementing food standards and meeting required food safety outcomes, and carrying out regulatory enforcement activities where necessary. Development of objective parameters for measuring performance and including them in both advisory and mandatory food standards will be a strategic focus for the NZFSA, particularly for the domestic food sector where this has not been a priority.

Strategic Alliances and Networks

NZFSA must have appropriate technical and scientific expertise in food safety to ensure effective and consistent regulation on an on-going basis. Establishment of strategic alliances with external science providers and other bodies capable of high-quality inputs to the regulatory standard-setting process, (e.g. CRI's and universities) is essential in this respect. These strategic alliances will most likely include contractual arrangements for provision of risk assessment data and other technical information. Further, a core external scientific capacity that allows a robust and rapid response to food emergencies must be maintained and enhanced.

International strategic alliances will involve trading partners in formal multi-lateral fora such as the Quadrilateral Group and also on a bilateral basis such as with ANZFA. The strategic focus of the NZFSA will include allocation of resources to networking with food regulators, technical specialists and science providers in other countries.

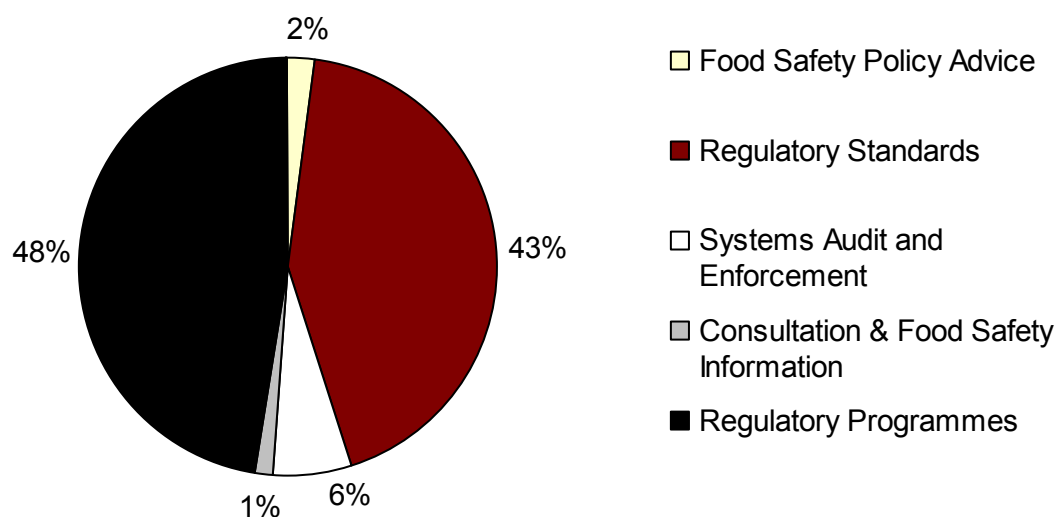
Developing an Appropriate Culture for the NZFSA

As a new organisation, the NZFSA will need to develop a culture that brings together the existing groups and produces a team of committed and results-oriented people with an emphasis on technical expertise, teamwork, professional ethics and consultation. A “can do”, solution orientated culture will be fostered. Historic and reactive ways of operating will be questioned and innovative approaches to achieving regulatory goals will be actively promoted.

Vote Structure

The chart below displays the structure of Vote Food Safety in terms of the proportion of each output class to the total appropriation of \$72.094 million.

Figure 1 - Departmental output classes in percentage terms for 2002/03



NOTE: Output class “Response to Food Safety Emergencies” is not shown, as the total is less than 1%.

Source: Ministry of Agriculture and Forestry

Part A2 - Trends in Vote Food Safety

This is a new Vote formed with effect from 1 July 2002.

Trends in Vote Food Safety - Summary of Appropriations and Crown Revenue

| | 1997/98 | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | | 2002/03 Appropriations to be Used | | | | 2003/04 | 2004/05 | 2005/06 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|---|----------------|--------------------------------------|----------------|----------------|--------------------|--------------------|
| | 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 |
| Types of Appropriation | | | | | | | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | | | |
| Operating Flows | | | | | | | | | | | | | |
| Classes of Outputs to be Supplied | - | - | - | - | - | - | 72,094 | - | - | - | 72,094 | 72,638 | 72,076 |
| Benefits and Other Unrequited Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - |
| Borrowing Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Flows | | | | | | | | | | | | | |
| Capital Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase or Development of Capital Assets | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - |
| Repayment of Debt | - | - | - | - | - | - | N/A | N/A | - | - | - | - | - |
| Total Appropriations | - | - | - | - | - | - | 72,094 | - | - | - | 72,094 | 72,638 | 72,076 |
| Total Crown Revenue and Receipts | - | - | - | - | - | - | N/A | N/A | N/A | N/A | - | - | - |

Part B1 - Details of Appropriations

| | 2001/02 | | | 2002/03 | | |
|--|--------------|-------------|------------------|-------------|--------------|-------------|
| | Vote | | Estimated Actual | Vote | | |
| Appropriations | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 |
| Departmental Output Classes (Mode B Gross) | | | | | | |
| D1 Food Safety Policy Advice | - | - | - | - | 1,645 | - |
| D2 Regulatory Standards | - | - | - | - | 31,007 | - |
| D3 Response to Food Safety Emergencies | - | - | - | - | 112 | - |
| D4 Systems Audit and Enforcement | - | - | - | - | 4,464 | - |
| D5 Consultation and Food Safety Information | - | - | - | - | 1,062 | - |
| D6 Regulatory Programmes | - | - | - | - | 33,804 | - |
| Total Appropriations for Departmental Output Classes (Mode B Gross) | - | - | - | - | 72,094 | - |
| Total Appropriations | - | - | - | - | 72,094 | - |

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Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 -Food Safety Policy Advice

This output class includes purchasing policy advice and decision support for the Minister and Government on food safety 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.

Output Class D2 -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. This class of outputs covers the setting of technical standards to achieve this and to otherwise meet “agreed levels of consumer protection”. Standards for ancillary legislation associated with controls on inputs into the food production continuum is included. The output class covers the setting of operational standards associated with implementation and those that enable monitoring and review mechanisms necessary to measure performance and so support reports to the Minister, parliament and in providing official assurances.

Many technical and operational standards may be generic to all food and food related areas. International standards are also relevant in this context. At the same time different sectors and/or components within the food production/processing continuum, may be subject to specific legislation that is not harmonised, or have features that require standards that are unique or appropriate to that sector/component. There is also variation in the controls needed to provide the necessary performance reporting or official assurances.

Food safety emergencies are expected and need to be handled in a systematic manner and the setting of standards for this purpose is covered in this class of outputs.

Outputs in this class of outputs include:

- Regulatory Standards : Generic Programme
- Regulatory Standards : Processed Foods and Retail Sale
- Regulatory Standards : Composition and Labelling
- Regulatory Standards : Food Imports
- Regulatory Standards : Primary Processing and Exports of Dairy, Wine and Plant Products
- Regulatory Standards : Primary Processing and Exports of Animal Products
- Regulatory Standards : Agricultural Compounds, Veterinary Medicines and Chemical Contaminants

Output Class D3 - Response to "Food Safety" Emergencies

This class of outputs covers 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.

Outputs in this class of outputs include:

- Response Preparedness
- Food Recalls
- Emergency Responses

Output Class D4 - Systems Audit and Enforcement

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

Outputs in this class of outputs include:

- Monitoring and Surveillance for Compliance with Standards
- Consumer Complaints and Food Borne Illness
- Enforcement - Investigation of Suspected Illegal Activity
- Enforcement - Prosecutions

Output Class D5 - Consultation and Food Safety Information

This output class covers consultation with stakeholders (including the public) and includes the Food Safety Advisory Board, the Consumers Forum and the Officials Committee on Food Safety. It covers communication of food safety information including all regulatory and other relevant matters to stakeholders and managing issues from a communication perspective.

Output Class D6 - Regulatory Programmes

This output class covers primary components of the regulatory programme where arrangements exist to contract regulatory services to give effect to the regulatory programme.

District Health Boards are jointly contracted with the Ministry of Health to provide a range of functions across the public health continuum. District Health Boards provide the NZFSA with oversight of parts of the programme at a local level, investigate possible cases of food borne illness and provide a linkage to wider public health.

The MAF Verification Agency provides verification functions to the meat and seafood industries.

Part G – Statement of Reconciliations

Part G1 – Change in Appropriations

The following table illustrates the financial impacts of the establishment of the new Vote Food Safety. These appropriations have been drawn from Vote Agriculture and Forestry and Vote Health plus some new funding approved in the 2002 Budget.

Part G1 - Changes in Appropriations

| 2001/02 Vote Food Safety in Old (2001/02) Structure | \$000 | Structure Changes | \$000 | Vote Food Safety in New (2002/03) Structure | 2001/02 \$000 | 2002/03 \$000 |
|---|--------|--|-------------------------------|--|------------------|------------------|
| <u>Departmental Output Classes</u> | | | | <u>Departmental Output Classes</u> | | |
| Vote Agriculture and Forestry | | To Vote Food Safety | | Vote Food Safety | | |
| D1 Agriculture and Forestry Policy Advice | 831 | To D1 Food Safety Policy Advice | 831 | D1 Food Safety Policy Advice | 1,320 | 1,645 |
| D2 Administration of Food Assurance Standards | 23,652 | To D1 Food Safety Policy Advice To D2 Regulatory Standards To D4 Systems Audit and Enforcement To D5 Consultation and Food Safety Information | 445 20,511 2,539 157 | D2 Regulatory Standards | 28,568 | 31,007 |
| | | | | D3 Response to "Food Safety" Emergencies | 56 | 112 |
| D4 Enforcement of Agricultural, Food and Forestry Legislation | 756 | To D4 Systems Audit and Enforcement | 756 | D4 Systems Audit and Enforcement | 3,539 | 4,464 |
| | | | | D5 Consultation and Food Safety Information | 193 | 1,062 |
| D6 Verification Services | 31,648 | To D6 Regulatory Programmes | 31,648 | D6 Regulatory Programmes | 33,804 | 33,804 |

Part G1 - Changes in Appropriations (continued)

| 2001/02 Vote Food Safety in Old (2001/02) Structure – cont'd | \$000 | Structure Changes | \$000 | Vote Food Safety in New (2002/03) Structure | 2001/02 \$000 | 2002/03 \$000 |
|---|--------|---|--------|--|------------------|------------------|
| <u>Departmental Output Classes</u> | | | | <u>Departmental Output Classes</u> | | |
| Vote Health | | To Vote Food Safety | | | | |
| D5 Public Health | 1,607 | To D1 Food Safety Policy Advice | 44 | | | |
| | | To D2 Regulatory Standards | 1,227 | | | |
| | | To D3 Response to Food Safety Emergencies | 56 | | | |
| | | To D4 Systems Audit and Enforcement | 244 | | | |
| | | To D5 Consultation and Food Safety Information | 36 | | | |
| Non-Departmental Output Classes | | | | | | |
| Vote Health | | | | | | |
| O23 Public Health Service Purchasing | 6,889 | To D2 Regulatory Standards | 4,733 | | | |
| | | To D6 Regulatory Programmes | 2,156 | | | |
| O27 Advice on Food Standards | 2,097 | To D2 Regulatory Standards | 2,097 | | | |
| Total | 67,480 | | 67,480 | | 67,480 | 72,094 |