

Vote Food Safety

APPROPRIATION MINISTER(S): Minister for Food Safety (M33)

APPROPRIATION ADMINISTRATOR: Ministry for Primary Industries

RESPONSIBLE MINISTER FOR MINISTRY FOR PRIMARY INDUSTRIES: Minister for Primary Industries

Supplementary Estimates of Appropriations

Details of Appropriations

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Assurance (M33) This appropriation is limited to justifying and delivering assurances to consumers, the public, overseas authorities and other stakeholders that food, food-related products and inputs into the production of food (whether undertaken or produced in New Zealand or imported) are managed, audited, approved, registered and/or monitored in accordance with New Zealand legislation and, for exports, relevant importing countries' market access requirements.	53,778	2,370	56,148
Development and Implementation of Policy Advice MCOA (M33)	4,808	(375)	4,433
<i>Implementation of Policy Advice</i> This output class is limited to implementing policy decisions, operational policy, and administering legislation relating to food safety matters, and ministerial servicing.	1,877	(385)	1,492
<i>Policy Advice</i> This output class is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to food safety.	2,931	10	2,941
Information (M33) This appropriation is limited to engagement of, and information for, stakeholders about food safety and suitability, to encourage participation in, and compliance with, the food regulatory programme, and to enable consumers to make appropriate food choices.	1,473	(105)	1,368
Response (M33) This appropriation is limited to the investigation of, preparedness for, and response to, food related events, incidents, emergencies, complaints and suspected breaches of legislation and taking appropriate sanctions and enforcement action.	5,406	(1,149)	4,257
Standards (M33) This appropriation is limited to the scientific inputs and development and implementation of food related standards (including as appropriate international and joint Australia/New Zealand standards) and standards related to inputs into food production, imports, exports, new and emerging issues and the domestic market.	19,480	(1,171)	18,309
Total Departmental Output Expenses	84,945	(430)	84,515
Non-Departmental Other Expenses			
Joint Food Standards Setting Treaty (M33) This appropriation is limited to the development of joint food standards, codes of practice, and guidance material for Australia and New Zealand by Food Standards Australia New Zealand in accordance with the Joint Food Standards Setting Treaty.	2,100	-	2,100
Total Non-Departmental Other Expenses	2,100	-	2,100
Total Annual and Permanent Appropriations	87,045	(430)	86,615

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2013/14				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	84,945	(430)	-	(430)	84,515
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	2,100	-	-	-	2,100
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	87,045	(430)	-	(430)	86,615
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates

Supplementary Estimates Structure 2013/14		Estimates Structure 2013/14	
Part #	Part Name	Part #	Part Name
2.1	Departmental Output Expenses	2.1	Departmental Output Expenses
2.2	Departmental Other Expenses	5.1	Departmental Other Expenses
2.3	Departmental Capital Expenditure and Capital Injections	6.1	Departmental Capital Expenditure
3.1	Non-Departmental Output Expenses	2.2	Non-Departmental Output Expenses
3.2	Non-Departmental Benefits and Other Unrequited Expenses	3.2	Non-Departmental Benefits and Other Unrequited Expenses
3.3	Non-Departmental Borrowing Expenses	4.2	Non-Departmental Borrowing Expenses
3.4	Non-Departmental Other Expenses	5.2	Non-Departmental Other Expenses
3.5	Non-Departmental Capital Expenditure	6.2	Non-Departmental Capital Expenditure
4	Multi-Category Expenses and Capital Expenditure	N/A	Did not exist in the Estimates

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Assurance (M33)

Scope of Appropriation

This appropriation is limited to justifying and delivering assurances to consumers, the public, overseas authorities and other stakeholders that food, food-related products and inputs into the production of food (whether undertaken or produced in New Zealand or imported) are managed, audited, approved, registered and/or monitored in accordance with New Zealand legislation and, for exports, relevant importing countries' market access requirements.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	53,778	2,370	56,148
Revenue from the Crown	3,085	64	3,149
Revenue from Others	50,693	2,306	52,999

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Access to overseas markets maintained after overseas audits	New measure	100% access maintained	100% access maintained
Less than 2% of verification certificates issued are rejected due to documentation errors	New measure	<2%	<2%
Overall stakeholder satisfaction with MPI's verification services is increasing	New measure	70%	70%
New Zealand access to overseas markets maintained after overseas audits	100% access maintained	Measure withdrawn	Expired Measure
Percentage of certificates that are accepted by overseas authorities	98%	Measure withdrawn	Expired Measure
Overall quality of Verification Services service delivery as perceived by external stakeholders in the annual Verification Services External Stakeholder Survey	70%	Measure withdrawn	Expired Measure

Reasons for Change in Appropriation

This appropriation increased by \$2.370 million to \$56.148 million for 2013/14. This is due to: increase in demand driven third party-funded activity (\$2.312 million); a reallocation of revenue Crown-funded resources between output expenses (\$53,000); expense transfer from 2012/13 for the Ministry for Primary Industries organisational transformation programme (\$5,000); and transfer of capital funding for the Ministry for Primary Industries Electronic Content Management System that will now be purchased as a service (\$6,000). These changes are offset by reduced services to other public sector agencies (\$6,000).

Memorandum Account

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Approvals, Accreditations and Registrations			
Opening Balance at 1 July	140	191	331
Revenue	3,451	70	3,521
Expenses	(3,734)	(45)	(3,779)
Closing Balance at 30 June	(143)	216	73
Verification of the Food Regulatory Programme			
Opening Balance at 1 July	(1,963)	1,017	(946)
Revenue	38,279	(4,381)	33,898
Expenses	(36,137)	(613)	(36,750)
Closing Balance at 30 June	179	(3,977)	(3,798)

Development and Implementation of Policy Advice MCOA (M33)

Scope of Appropriation

Implementation of Policy Advice

This output class is limited to implementing policy decisions, operational policy, and administering legislation relating to food safety matters, and ministerial servicing.

Policy Advice

This output class is limited to the provision of advice (including second opinion advice and contributing to policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to food safety.

Explanation for Use of Multi-Class Output Expense Appropriation

This multi-class output expense appropriation contains output classes that contribute to creating an environment where food is both safe and suitable, while supporting the necessary regulatory platform for improving New Zealand's economic prosperity.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,808	(375)	4,433
Implementation of Policy Advice	1,877	(385)	1,492
Policy Advice	2,931	10	2,941
Revenue from the Crown	4,788	(373)	4,415
Implementation of Policy Advice	1,865	(383)	1,482
Policy Advice	2,923	10	2,933
Revenue from Others	20	(2)	18
Implementation of Policy Advice	12	(2)	10
Policy Advice	8	-	8

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Implementation of Policy Advice			
The Minister rates the quality of ministerial services as 8 or better on a scale of 1 to 10	8	Measure withdrawn	Expired measure
Policy Advice			
Percentage of agreed policy work priorities met	New measure	85%	85%
Percentage of policy work programme milestones completed	85%	Measure withdrawn	Expired measure
Total cost of MPI policy advice	\$1.5m	Measure withdrawn	Expired measure
Total cost per output hour	New measure	\$138	\$138

Reasons for Change in Appropriation

This appropriation decreased by \$375,000 to \$4.433 million for 2013/14. This is due to: expense transfer to 2014/15 for implementation of the Food Bill (\$240,000); reallocation of revenue Crown funded resources between output expenses (\$187,000); and reduced services to other public sector agencies (\$6,000). These changes are offset by: expense transfer from 2012/13 for implementation of the Food Bill (\$40,000); expense transfer from 2012/13 for Ministry for Primary Industries organisational transformation programme (\$7,000); transfer of capital funding for the Ministry for Primary Industries Electronic Content Management System that will now be purchased as a service (\$7,000); and increase in demand driven third party funded activity (\$4,000).

Information (M33)*Scope of Appropriation*

This appropriation is limited to engagement of, and information for, stakeholders about food safety and suitability, to encourage participation in, and compliance with, the food regulatory programme, and to enable consumers to make appropriate food choices.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,473	(105)	1,368
Revenue from the Crown	1,470	(106)	1,364
Revenue from Others	3	1	4

Reasons for Change in Appropriation

This appropriation decreased by \$105,000 to \$1.368 million for 2013/14. This is due to a reallocation of revenue Crown-funded resources between output expenses (\$109,000) offset by: expense transfer from 2012/13 for the Ministry for Primary Industries organisational transformation programme (\$2,000); transfer of capital funding for the Ministry for Primary Industries Electronic Content Management System that will now be purchased as a service (\$1,000); and increase in third party-funded activity (\$1,000).

Response (M33)*Scope of Appropriation*

This appropriation is limited to the investigation of, preparedness for, and response to, food related events, incidents, emergencies, complaints and suspected breaches of legislation and taking appropriate sanctions and enforcement action.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,406	(1,149)	4,257
Revenue from the Crown	5,396	(1,204)	4,192
Revenue from Others	10	55	65

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Overall compliance rates are increasing (average)	90%	Measure withdrawn	Expired Measure
Percentage of persons/companies previously issued a warning who continue non-compliant behaviour resulting in further action is declining	22%	Measure withdrawn	Expired Measure
Less than 5% of prosecutions incur adverse judicial comment regarding MPI's investigation process	0-5%	Measure withdrawn	Expired Measure
Percentage of food recalls initiated and closed in accordance with agreed timeframes	New measure	95%	95%
By June 2020, MPI aims to reduce the rate of re-offending by 20% from where it was at June 2013	New measure	15%	15%
Percentage of complex investigations completed within legislative requirements and meet prima facie test	New measure	100%	100%

Reasons for Change in Appropriation

This appropriation will decrease by \$1.149 million to \$4.257 million in 2013/14. This is due to: reallocation of revenue Crown-funded resources between output expenses (\$1.222 million); and reduced services to other public sector agencies (\$2,000). These changes are offset by: increase in demand driven third party-funded activity (\$57,000); transfer of capital funding for the Ministry for Primary Industries Electronic Content Management System that will now be purchased as a service (\$11,000); and expense transfer from 2012/13 for the Ministry for Primary Industries organisational transformation programme (\$7,000).

Standards (M33)

Scope of Appropriation

This appropriation is limited to the scientific inputs and development and implementation of food related standards (including as appropriate international and joint Australia/New Zealand standards) and standards related to inputs into food production, imports, exports, new and emerging issues and the domestic market.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	19,480	(1,171)	18,309
Revenue from the Crown	11,487	(58)	11,429
Revenue from Others	7,993	(1,113)	6,880

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of export certificates meeting importing country technical requirements as specified by the overseas competent authority	95%	Measure withdrawn	Expired Measure
Percentage of certificates issued covering the export of animal products (including meat, seafood, dairy, honey and bee products and eggs) and wine which meet the importing country technical requirements as specified by the overseas competent authority	New measure	95%	95%

Reasons for Change in Appropriation

This appropriation decreased by \$1.171 million to \$18.309 million for 2013/14. This is due to: decrease in demand driven third party-funded activity (\$1.112 million); reallocation of revenue Crown-funded resources between output expenses (\$193,000); expense transfer to 2014/15 for negotiation of free trade or closer economic partnership agreements (FTA/CEP negotiations) (\$175,000); and reduced services to other public sector agencies (\$1,000). These changes are offset by: expense transfer to 2014/15 for implementation of the Food Bill (\$200,000); expense transfer to 2014/15 for FTA/CEP negotiations (\$90,000); expense transfer from 2012/13 for the Ministry for Primary Industries organisational transformation programme (\$15,000); and transfer of capital funding for the Ministry for Primary Industries Electronic Content Management System that will now be purchased as a service (\$5,000).

Memorandum Account

Standards Setting for the Food Industry	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Opening Balance at 1 July	411	423	834
Revenue	17,352	2,438	19,790
Expenses	(17,532)	(1,608)	(19,140)
Closing Balance at 30 June	231	1,253	1,484

This memorandum account covers standards setting activities under this output class, and fees for certification and reconciliation services under the Animal Products (Dairy Industry Fees and Charges) Regulations 2007 under the Assurance output class.