

Performance Information for Appropriations

Vote Food Safety

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Food Safety (M33)

ADMINISTERING DEPARTMENT: Ministry for Primary Industries

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

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister for Food Safety is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

- a total of nearly \$54 million (62% of the Vote) for justifying and delivering assurances to consumers and overseas authorities regarding food compliance with legislation (primary, secondary and tertiary) and for overseas market access requirements, including approval and registration activities
- a total of nearly \$5 million (6% of the Vote) for policy advice, legal analysis, and decision-making support regarding New Zealand's food regulatory framework and international arrangements
- a total of nearly \$2 million (2% of the Vote) for providing information to consumers and industry about food safety and suitability issues, and opportunities to enable consumers to make appropriate food choices
- a total of over \$5 million (6% of the Vote) for the investigation and response management of food-related events, complaints and suspected breaches of legislation, including the management of responses to food and food-related incidents and emergencies
- a total of nearly \$20 million (22% of the Vote) for setting standards relating to the development, implementation, monitoring and review of food safety, suitability and production for industry, developing other tools in conjunction with industry to aid compliance, and accessing scientific evidence in support of those standards
- a total of just over \$2 million (2% of the Vote) to support New Zealand's participation in joint food standards setting with Australia.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Driving Goals: <ul style="list-style-type: none"> • Build a more competitive and productive economy • Delivering better public services within tight fiscal constraints Priorities: <ul style="list-style-type: none"> • Maintaining and enhancing market access • Improving the regulatory regime for food • Reducing food-borne illness • Enhancing the Australia-New Zealand relationship with respect to food • Increasing exports - Food for Health • Strengthening market assurance • New Zealand Food Strategy 	Long-Term Outcome: Maximise export opportunities	Assurance, Policy Advice, Implementation of Policy Advice, Standards
	Long-Term Outcome: Improved sector productivity	Policy Advice, Implementation of Policy Advice, Standards
	Long-Term Outcome: Protect from biological risk	Assurance, Information, Policy Advice, Implementation of Policy Advice, Response, Standards

Objectives of the Vote

Vote Food Safety has an integral role in delivering on the Government's Business Growth Agenda (BGA) goal to increase the ratio of exports to gross domestic product from the current 30 percent to 40 percent by 2025. The value of New Zealand's primary sector exports has grown steadily in recent years and is currently around 70 percent of merchandise exports. The continued growth of the primary sector - a doubling of primary sector exports earnings over this period - is therefore critical to achieving the Government's BGA goal.

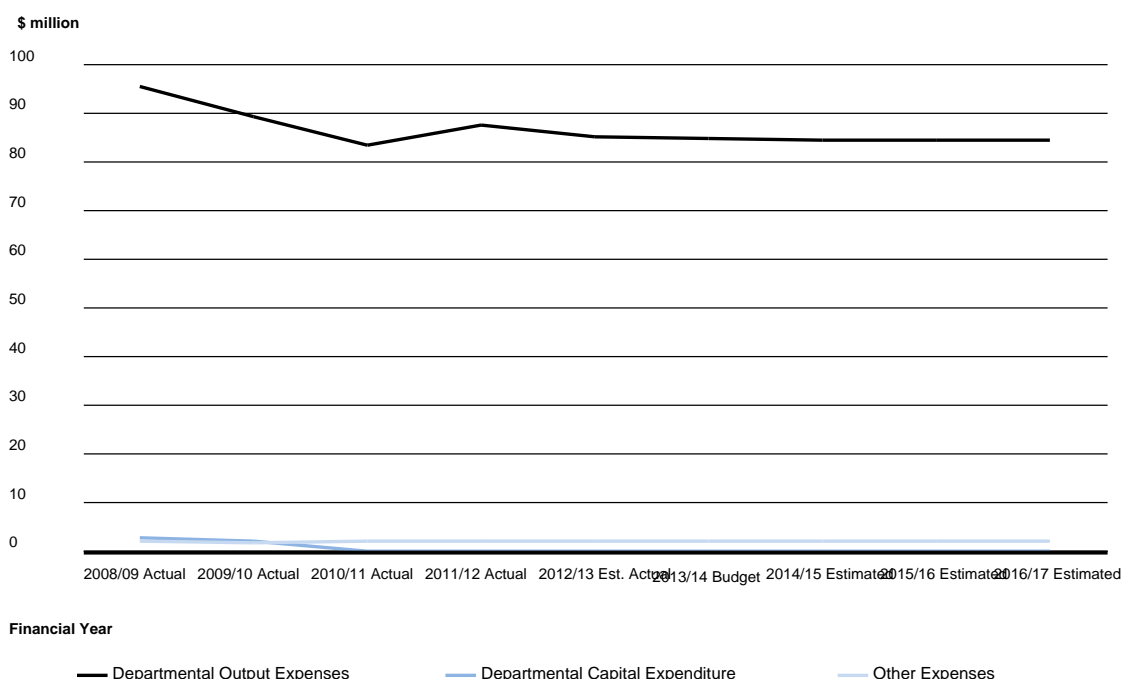
While export earnings are generated by the primary industries, government's influence in the biosecurity, food safety and primary production systems are significant enablers of primary sector exports. The challenge is to better use the instruments available to government to ensure that food systems are managed to enable an increase in real export earnings from the primary sector in a sustainable way. The objectives of Vote Food Safety are to improve primary sector performance through:

- better regulation to support business growth and lower costs for businesses
- new assurances around the integrity, safety and reputation of New Zealand's primary products to maximise commercial benefits including market premium and share
- reducing food-borne illness
- development of a New Zealand Food Strategy.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	95,358	89,185	83,446	87,590	85,285	85,010	84,945	-	84,945	84,485	84,534	84,386
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,901	1,787	1,986	2,086	2,100	2,100	-	2,100	2,100	2,100	2,100	2,100
Capital Expenditure	2,589	1,940	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	99,848	92,912	85,432	89,676	87,385	87,110	84,945	2,100	87,045	86,585	86,634	86,486
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	-	-	-	-	-

Figure 1 - Vote trends in actual expenses and capital expenditure by appropriation type

Source: Ministry for Primary Industries

New Policy Initiatives

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	Assurance Departmental Output Expense	(24)	-	100	118	82
	Development and Implementation of Policy Advice MCOA Departmental Output Expense	(404)	-	115	194	94
	Information Departmental Output Expense	(118)	-	43	72	35
	Response Departmental Output Expense	(428)	-	96	95	78
	Standards Departmental Output Expense	(590)	-	184	108	150
Total Initiatives		(1,564)	-	538	587	439

Analysis of Significant Trends

Total Vote: All Appropriations

The departmental and non-departmental appropriations in Vote Food Safety, which are detailed in the Summary of Financial Activity table above, show the significant changes discussed briefly below.

The Vote was administered by the New Zealand Food Safety Authority in 2008/09 and 2009/10, hence the capital expenditure appropriation throughout that period.

The change in output expenses in part reflects the level of third party-funded activity operated on a full cost recovery basis. Memorandum accounts are used to keep track of the accumulated surpluses and deficits to enable the Ministry to take a long-run perspective to fee setting and cost recovery.

Changes in output expenses also reflect decisions by the Government on outputs that are revenue Crown-funded. Putting aside the effect of expense transfers and retention of underspends, the significant baseline change was to realise efficiency savings of \$4.500 million from 2012/13 from the merger of the New Zealand Food Safety Authority and Ministry of Agriculture and Forestry in 2010/11 and subsequent merger of Ministry of Fisheries in 2011/12, to form the Ministry for Primary Industries, and removal of central funding for employer superannuation contributions.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Long-term outcome: Maximise export opportunities	
Medium-term outcome: Export success is enhanced by the integrity of primary sector products and increasing the awareness of New Zealand's unique culture and brand	Assurance, Development and Implementation of Policy Advice, Standards
Medium-term outcome: Exporters have improved access to fast growing and high value markets, and benefit from new export opportunities	Assurance, Development and Implementation of Policy Advice, Standards
Long-term outcome: Improve sector productivity	Development and Implementation of Policy Advice, Standards
Medium-term outcome: Improved generation of new ideas and their adoption and adaptation by the primary industries, including Māori, is supported by government actions	Development and Implementation of Policy Advice, Standards
Long-term outcome: Protect from biological risk	Assurance, Information, Development and Implementation of Policy Advice, Response, Standards
Medium-term outcome: The primary sector is protected from biological risks through the effective operation of the biosecurity and food safety systems	Assurance, Information, Development and Implementation of Policy Advice, Response, Standards

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations please see the Statement of Intent for the Ministry for Primary Industries.

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	54,765	54,761	53,778
Revenue from Crown	4,072	4,068	3,085
Revenue from Other	50,693	50,693	50,693

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
MPI is responsible for the certification of food produced according to domestic and overseas market access requirements; managing food imports clearance; monitoring compliance; and ensuring these activities are undertaken within the requirements of overseas audits and legislation administered by MPI.			
New Zealand access to overseas markets maintained after overseas audits	100% access maintained	100% access maintained	100% access maintained
Percentage of certificates that are accepted by overseas authorities	98%	98%	98%
Overall quality of Verification Services service delivery as perceived by external stakeholders in the annual Verification Services External Stakeholder Survey	70%	70%	70%

Memorandum Account

Verification of the Food Regulatory Programme	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Opening Balance at 1 July	(4,105)	(4,105)	(1,963)
Revenue	38,279	38,279	38,279
Expenses	(36,137)	(36,137)	(36,137)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	(1,963)	(1,963)	179

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	(24)	-	100	118	82
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(2,865)	(2,848)	(2,868)	(2,868)	(2,868)
Efficiency savings from merger of New Zealand Food Safety Authority and Ministry of Agriculture and Forestry	2011/12	(36)	(36)	(36)	(36)	(36)
New output structure appropriation movement - increased appropriation	2010/11	6,859	6,859	6,859	6,859	6,859
Previous Government						
NZFSFA contractual and Treaty obligations	2008/09	126	126	126	126	126

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,804	4,769	4,808
Implementation of Policy Advice	2,112	2,080	1,877
Policy Advice	2,692	2,689	2,931
Revenue from Crown	4,784	4,749	4,788
Implementation of Policy Advice	2,100	2,068	1,865
Policy Advice	2,684	2,681	2,923
Revenue from Other	20	20	20
Implementation of Policy Advice	12	12	12
Policy Advice	8	8	8

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
MPI's food safety activities include the development and provision of policy advice and supporting its Minister in dealing with issues raised by the public in correspondence.			
Development of Policy Advice			
Percentage of policy work programme milestones completed	85%	85%	85%
Technical quality assessment of MPI policy advice on a scale of 1 to 10 (see Note 1)	7	7	7

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Total cost of MPI policy advice	New measure	New measure	\$1.5m
The Minister for Food Safety rates the quality of policy advice provided as 8 or better on a scale of 1 to 10 via discussion with MPI officials every 6 months (see Note 2)	8	8	8
Implementation of Policy Advice			
Percentage of ministerial requests from the Minister for Food Safety completed to agreed standards	95%	95%	95%
Percentage of OIA, Privacy Act and Ombudsmen requests delivered within statutory timeframes	95%	95%	95%
The Minister rates the quality of ministerial services as 8 or better on a scale of 1 to 10	8	8	8

Note 1 - For independent assessment of the quality of this advice, MPI will submit a sample of work for technical review at least once a year.

Note 2 - The Minister is asked to assess advice provided on a ten-point scale where 1 represents poor and 10 represents excellent.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	(404)	-	115	194	94
Efficiency savings including savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(195)	(194)	(195)	(195)	(195)
Efficiency savings from merger of New Zealand Food Safety Authority and Ministry of Agriculture and Forestry	2011/12	(61)	(61)	(61)	(61)	(61)

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,404	1,402	1,473
Revenue from Crown	1,401	1,399	1,470
Revenue from Other	3	3	3

Output Performance Measures and Standards

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Food safety information is provided in line with agreed programmes	Achieved	Achieved	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	(118)	-	43	72	35
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(140)	(140)	(141)	(141)	(141)
Efficiency savings from merger of New Zealand Food Safety Authority and Ministry of Agriculture and Forestry	2011/12	(31)	(31)	(31)	(31)	(31)

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,998	4,993	5,406
Revenue from Crown	4,988	4,983	5,396
Revenue from Other	10	10	10

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
MPI is responsible for monitoring and enforcing compliance with food safety legislation, including investigation and prosecution of alleged breaches			
Overall compliance rates are increasing (average)	90%	Increase on 2011/12	90%
Percentage of persons/companies previously issued a warning who continue non-compliant behaviour resulting in further action is declining	22%	Decrease on 2011/12	22%
Less than 5% of prosecutions incur adverse judicial comment regarding MPI's investigation process	0-5%	0-5%	0-5%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	(428)	-	96	95	78
Efficiency savings including estimated savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(213)	(212)	(214)	(214)	(214)
Efficiency savings from merger of New Zealand Food Safety Authority and Ministry of Agriculture and Forestry	2011/12	(21)	(21)	(21)	(21)	(21)
New output structure appropriation movement - increased appropriation	2010/11	1,995	1,995	1,995	1,995	1,995

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	19,314	19,085	19,480
Revenue from Crown	11,321	11,092	11,487
Revenue from Other	7,993	7,993	7,993

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
MPI is responsible for developing, implementing and ensuring standards are in place to manage industry compliance			
Science based standards and non-regulatory tools to support and drive industry compliance			
Percentage of the milestones met of the Meat Inspection Reform Programme as agreed with the Meat Industry Strategic Directions Group	80%	80%	80%
Percentage of the milestones met of the Sanitary and Phytosanitary Standards Market Access Programme as agreed with key meat, dairy, seafood and horticulture sector stakeholders	75%	75%	75%
Percentage of export certificates meeting importing country technical requirements as specified by the overseas competent authority	95%	95%	95%
Percentage of OIE, IPPC and Codex Standards that are accepted by New Zealand	90%	90%	90%

Memorandum Account

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Approvals, Accreditations and Registrations			
Opening Balance at 1 July	423	423	140
Revenue	3,451	3,451	3,451
Expenses	(3,734)	(3,734)	(3,734)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	140	140	(143)
Standards Setting for the Food Industry			
Opening Balance at 1 July	591	591	411
Revenue	17,352	17,352	17,352
Expenses	(17,532)	(17,532)	(17,532)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	411	411	231

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Current Government						
Retention of 2012/13 underspends to meet staff remuneration cost pressures in 2014/15, 2015/16 and 2016/17	2012/13	(590)	-	184	108	150
Efficiency savings including savings from merger of Ministry of Agriculture and Forestry and Ministry of Fisheries, and allowing for removal of central funding for KiwiSaver and State Sector Retirement Savings Scheme (SSRSS)	2012/13	(836)	(812)	(819)	(819)	(819)
Efficiency savings from merger of New Zealand Food Safety Authority and Ministry of Agriculture and Forestry	2011/12	(150)	(150)	(150)	(150)	(150)
Increase the scientific capability of New Zealand Food Safety Authority	2010/11	350	350	360	360	360
Maintenance of risk-based testing of imported foods	2010/11	350	350	350	350	350
Savings from wine testing for export to fund risk-based testing of imported food	2010/11	(700)	(700)	(700)	(700)	(700)
New output structure appropriation movement - decreased appropriation	2010/11	(4,420)	(4,420)	(4,420)	(4,420)	(4,420)
Previous Government						
NZFSA contractual and Treaty obligations	2008/09	141	141	141	141	141

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Long-term outcomes: Maximise export opportunities Improve sector productivity Protect from biological risk</p> <p>Medium-term outcomes: Expected medium-term consequences of MPI's involvement in the economy, with people, or on the environment</p> <p>Export success is enhanced by the integrity of the primary sector products and increasing awareness of New Zealand's unique culture and brand.</p> <p>Exporters have improved access to fast-growing and high-value markets, and benefit from new export opportunities.</p> <p>The primary sector, including Māori, maximises the use and productivity of natural resources within environmentally sustainable limits and is resilient to adverse climatic and biosecurity events.</p> <p>The primary sector is protected from biological risks through the effective operation of the biosecurity and food safety systems.</p>	New Zealand and Australian Joint Food Standards Setting Treaty

Note - For further information on the intended impacts, outcomes and objectives of the non-departmental other expense appropriation, please see the Statement of Intent for the Ministry for Primary Industries.

Joint Food Standards Setting Treaty (M33)

Scope of Appropriation

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.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,100	2,100	2,100

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Completion of Ministerial Responses			
Ministerial Council members are required to respond to Food Standards Australia New Zealand (FSANZ) notification of proposed changes to the Food Standards Code within 60 days. The response process involves briefing the Minister on the proposal changes and recommending a New Zealand response.			
Percentage of annual work programme completed within agreed time-frames	100%	100%	100%
Percentage of joint food standards applications and/or proposals that are responded to within agreed timeframes established by FSANZ	100%	100%	100%