

December 2014 update on implementation of the first 29 recommendations of the WPC Inquiry

	Inquiry recommendation (verbatim)	Lead Minister	MPI / agency implementation
The wider view			
1	The Ministry, in consultation with the industry and other relevant government agencies, should focus on emerging risks and prepare a high-level risk register identifying such risks to dairy food safety and supply.	Food Safety	MPI is implementing a system for identifying and managing future strategic risks in partnership with the dairy industry.
2	The Ministry should convene a working group to develop a strategic plan to build up sector-wide dairy processing and regulatory capability.	Primary Industries	A Dairy Capability Working Group was established in July 2014. The Group has a work programme agreed with the Director-General; it meets monthly and is due to report in July 2015.
3	A centre of food safety science and research, which could be a virtual centre, should be established to ensure New Zealand remains a leader in the food safety field.	Science and Innovation Food Safety	Massey University has been announced as the host of the Food Safety Science and Research Centre. The 7 research organisations in the collaboration are together developing business and research plans and engaging with industry groups.
4	In collaboration with other government agencies, the Ministry should step up its role and resources, both here and abroad, to allow more effective interaction with New Zealand's most important, and emerging, export markets, particularly China.	Primary Industries	The Government committed an additional \$4.430 million in 2014/15 rising to \$8.295 million in 2017/18 and out-years to increase MPI's presence overseas. MPI has posted additional personnel, including a senior official, to China to boost capability in the region. Other overseas locations proposed for MPI staff include the Middle East, North Asia ex-China, South Asia, and Latin America. Recruitment for the 2014/15 deployments is complete, and planning for future deployments ongoing.
5	All organisations in the sector should endeavour to increase collaboration, whether among regulators, the Ministry and the industry, or within the wider dairy industry.	Food Safety Primary Industries	A MPI-led review of existing forums and work programmes is underway to enable greater ongoing collaboration. Additional working groups proposed by the Inquiry have been established. Existing bodies such as the Dairy Companies Association of New Zealand Infant Formula Working Group and the Dairy Product Safety Advisory Council Infant Formula Working Group have picked up issues raised by the Inquiry.
Regulatory design			
6	The Ministry should accelerate the standards integration programme, using specialist drafters, technical industry experts and recognised agencies from the start of the process. In particular: <ul style="list-style-type: none"> ○ Risk management programme requirements should be elevated to regulations, along with the requirements for the notification and reporting of food safety events. ○ There should be a new requirement that risk management programmes be limited to food safety and related regulatory matters. ○ The Ministry, verifiers, laboratories and industry should jointly work on drafting and publishing escalation guidelines for food safety incidents. 	Food Safety	As part of the Food Safety Law Reform Bill work, MPI is considering how primary legislation can be used to give clearer direction on the use of delegated legislation (regulations and tertiary notices). In the meantime, MPI has a specific programme underway to make sure tertiary legislation is developed in a clear and consistent way, is easier to find, and easier to understand. New processes, guides and templates have been developed to ensure that MPI's tertiary legislation is presented consistently, is written in plain English to aid understanding, and is legally robust. MPI is also working closely with verifiers and laboratories on escalation guidelines, in consultation with the Parliamentary Counsel Office.
7	Following the rewrite of the requirements for risk management programmes, the Ministry should receive and maintain records of full and up-to-date programmes.	Food Safety	Being progressed as part of the Food Safety Law Reform Bill work.
8	It is important that risk management programmes be periodically re-evaluated.	Food Safety	Being progressed as part of the Food Safety Law Reform Bill work.
Role of the regulator			
9	A Food Safety and Assurance Advisory Council should be established to provide the Ministry with high-level independent strategic advice and risk analysis and report annually to the Director-General on the performance of the system.	Food Safety	The Council was established in July 2014. It provides independent advice to the Director-General on strategic issues relating to food safety. The Council considers high level system and regulatory issues across New Zealand's entire food safety and assurance regime, and advises on the performance of the system. The Council meets quarterly. The Director-General has approved a work programme for the 2014-15 year that will focus on measuring the performance of the food safety system, identifying risks and opportunities, and ensuring New Zealand is prepared to deal with food safety events and incidents.

	Inquiry recommendation (verbatim)	Lead Minister	MPI / agency implementation
10	<p>The Ministry should consider the following aspects of its operations:</p> <ul style="list-style-type: none"> ○ Structure: ensure a more integrated focus on the dairy sector and food safety generally. ○ Roles: ensure greater clarification of multiple, and sometimes conflicting, roles. ○ Capacity and capability: ensure additional skilled staff in food safety generally and specifically in the dairy sector. ○ Visibility: ensure greater prominence of the Ministry's food safety role. ○ Risk communication: ensure greater resourcing of, and priority for, this role. ○ Engagement: hold regular workshops and participate fully in overseas forums. 	<p>Primary Industries Food Safety</p>	<p>A structural alignment of MPI's governance and other functions become effective in May 2014. It enabled greater visibility of, and focus on, food safety. A new Regulation and Assurance Branch has been established with a substantial focus on food safety. A new Food Policy Directorate has also been established. The Director-General Regulation and Assurance is now ultimately accountable responsible for the food safety system and for improving the visibility of MPI's food safety role.</p> <p>The Dairy Capability Working Group is addressing capability and capacity issues in the sector.</p> <p>MPI has developed a Risk Communication Framework that can be applied alongside other risk management practices.</p>
11	<p>Additional funding should be allocated as appropriate to Vote Primary Industries and Vote Food Safety, targeted at food safety and dairy-related capability; China and new markets capability; the redrafting of regulations; and the Food Safety and Assurance Advisory Council.</p>	<p>Food Safety Primary Industries</p>	<p>The Government allocated an additional \$8-12 million per year to these Votes when it accepted the WPC Inquiry's recommendations. Initiatives underway using this funding include the Food Safety and Assurance Advisory Council, the Dairy Traceability Working Group, the Dairy Capability Working Group, food regulatory reform, and increasing MPI's presence in overseas markets.</p>

Role of verifiers

12	<p>The independent verification system should be strengthened in the following ways:</p> <ul style="list-style-type: none"> ○ Provide greater clarity of the verifier's role as agent of the Ministry to make clear the true client is the regulator, not the industry. ○ Subject dairy processing operators using template risk management programmes to more rigorous scrutiny. ○ Encourage verifiers and the industry (with Ministry approval) to consider how the regular auditing processes can provide more evaluation without straying into consultancy, ○ Involve verifiers in product dispositions featuring novel or improvised working. ○ Provide verifiers' accreditation reports directly to the Ministry to ensure full and transparent reporting. 	<p>Food Safety</p>	<p>Some of these recommendations require legislative changes, and will be progressed as part of the Food Safety Law Reform Bill.</p> <p>Policy work is underway on a wider review of how the verification system is performing. This may result in further changes.</p> <p>In the meantime, verifiers are implementing two new Notices of Direction on export load-out and tracing and recall processes. Unannounced audits of specific premises have also commenced. MPI is maintaining contact with verifiers through Verifier Summits and regular teleconferences.</p>
13	<p>The Ministry should carry out more analysis of audit information to identify areas of particular concern, emerging issues or risks and compliance trends.</p>	<p>Food Safety</p>	<p>As part of its data systems review, MPI has commissioned development of a framework for tracking audit recommendations internally and externally. This will help build a picture of dairy industry performance over time.</p>
14	<p>Accreditors and verifiers should endeavour to consult and collaborate as appropriate to ensure continued improvements to the accreditation and verification systems.</p>	<p>Food Safety</p>	<p>A project is underway to ensure that there is continual improvement in the accreditation and verification systems. This is being led by accreditation bodies with MPI providing feedback and support.</p>

Testing: quality and integrity

15	<p>Sulphite Reducing Clostridia (SRC) testing should not be mandatory for all dairy products.</p>	<p>Food Safety</p>	<p>Sulphite Reducing Clostridia testing is not mandatory for all dairy products; no further action is required.</p>
16	<p>The Ministry should compile and maintain a list of accredited laboratories for non-standard or novel tests.</p>	<p>Food Safety</p>	<p>MPI has compiled a list of all laboratories and the tests for which they have been accredited. MPI is currently consulting industry and laboratories on their non-routine testing capabilities.</p>
17	<p>The Ministry should give priority and resources to better analysis of existing data to identify trends, including extending its surveillance programmes where appropriate.</p>	<p>Food Safety</p>	<p>MPI is now using Dairy Product Safety Advisory Council quarterly reports on critical exceptions, export non-conformances, and other surveillance data to strengthen and improve information for industry. It will extend this to include Dairy Companies Association of New Zealand, to improve its communication with companies not currently represented. Verifiers are also receiving this data to inform their verification work..</p>

Implementation of food safety standards

18	<p>The Ministry, recognised agencies and industry should work to foster a positive food safety culture, and identify mechanisms to evaluate the food safety culture within companies.</p>	<p>Food Safety</p>	<p>The MPI structural alignment changes are enabling improved relationships between industry and MPI. Frontline food compliance services that are currently contracted to DHBs will be brought in-house to MPI by June 2015. The Food Compliance Services team will increase from 7 to 19 FTEs. These resources will enable MPI to evaluate companies' food safety cultures. MPI has also committed to implementing industry forums as a mechanism to improve food safety culture within companies.</p>
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19	The Ministry should promptly inform industry of new overseas market access requirements and where practicable consult industry about such requirements.	Food Safety	This is a core function of MPI, and information exchange takes place on a daily basis across the full range of industries producing food and animal material for export. Consultation with industry is currently underway on revised templates and process requirements for overseas market access, to make it easier for industry to identify what is required of them.
20	The compliance and enforcement tools in the Animal Products Act 1999 should be aligned with those in the Food Bill, which is currently before Parliament, and should include a full range of tools.	Food Safety	This work is being progressed through the Food Safety Law Reform Bill.
21	The Ministry should prioritise analysis of food safety compliance data.	Food Safety	MPI has almost completed work on a new verification performance monitoring and reporting framework and is finalising work on export performance verification reporting guidance.
Traceability, recall and contingency planning			
22	The Ministry should convene a working group to consider first, the most appropriate regulatory provisions for traceability of dairy products, and secondly, a code of practice or similar to guide industry in implementing such provisions.	Food Safety	The Dairy Traceability Working Group, comprising members from the dairy and grocery industry, was convened in 2014. It provided its final report to the Director-General of MPI on 1 December 2014. The report proposes regulatory requirements for dairy traceability and recommends MPI undertakes additional work in a number of areas. It also presents a best practice guidance document to assist the dairy industry to establish or strengthen its traceability systems for recalls and to meet consumers' expectations. MPI is considering the recommendations in the report. Industry will be consulted on any proposed changes to current requirements. Any recommendations requiring legislative change will be addressed by the Food Safety Law Reform Bill.
23	Recall provisions should be revised, in particular: <ul style="list-style-type: none"> o Mandatory recall provisions in food legislation should be aligned. o Voluntary recall obligations should be set out in regulations rather than in risk management programmes. o Regulations should require industry to simulate recalls, audited by verifiers. o Circumstances in which privileged statements can be made should be clarified. 	Food Safety	Changes to mandatory recall powers were included in the Food Act 2014 (passed in June 2014). Other recommendations that require legislative change are being considered as part of the Food Safety Law Reform Bill.
24	The Ministry should be given statutory responsibility for food safety contingency planning. Industry and regulators should simulate tracing, recall and general food safety incidents from time to time as part of such contingency planning.	Food Safety	Being progressed through the Food Safety Law Reform Bill.
Infant formula			
25	The Ministry should prioritise its infant formula work programme, and complete the revision of food safety-related regulatory requirements for the manufacture of infant formula (and, if appropriate, ingredients for infant formula) within six months.	Food Safety	MPI continues to prioritise its infant formula work programme. Draft regulatory standards covering infant formula export labelling, traceability, and manufacturing were released for public consultation in 2014. MPI intends to issue the standards progressively in the first half of 2015 as technical details and drafting are finalised.
26	The Ministry, with input from the relevant working groups, should resolve whether infant formula and other high-risk products should routinely undergo Sulphite Reducing Clostridia (SRC) testing, based on scientific, risk-based and cost-benefit analysis.	Food Safety	Although this testing is not required, MPI has added SRC testing to a dairy testing programme for high risk nutritional powders. In addition, the industry is undertaking enhanced SRC monitoring of these products as an interim measure until the end of the 2014 season.
27	The Ministry should strengthen requirements for exporters of infant formula to ensure traceability.	Food Safety	MPI has consulted on a regulatory notice to require 'export declarations' for infant formula exports to markets that do not require official assurances (eg, Hong Kong). This notice would enable MPI to hold information about all infant formula exports to any market. It would also allow routine audits of infant formula exporters to ensure they are meeting their duties and obligations. The notice is still under development and must take account of the emerging trade in small package exports facilitated by large scale internet trading platforms. It is expected to be introduced in 2015.
28	Regulatory requirements under both the Animal Products Act 1999 and the Food Act 1981 should be aligned.	Food Safety	MPI has aligned requirements for producing infant formula for the domestic (New Zealand and Australian) markets by updating the criteria for registration of food safety programmes under the Food Act to mirror those in the Animal Products Act. All infant formula for export must be produced under the Animal Products Act, and requirements can vary depending on the intended market.
29	The Ministry, in consultation with the industry, should develop options to provide foreign markets with the assurance of authenticity of New Zealand-manufactured infant formula products.	Food Safety	Implementation of this recommendation is being integrated into MPI's wider work on ways to assist businesses to communicate Government-assured supply chain information to consumers. This work is also being informed by the Dairy Traceability Working Group, and will draw on recent significant improvements to the animal products electronic certification system