

Food Safety Portfolio Briefing

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Industries and Haumarū Kai Aotearoa,
New Zealand Food Safety
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The Food Safety System

Introduction

1. New Zealand Food Safety operates across the food system to protect the health of consumers in New Zealand and wherever New Zealand food is exported. The New Zealand Institute of Environmental Science and Research has estimated that each year foodborne illness in New Zealand leads to around 4,000 hospitalisations and 17 fatalities. The cost to New Zealand of foodborne illness caused by the seven most important pathogens is estimated to be approximately \$86 million per year, with approximately 90 percent of the cost due to lost productivity of people removed from the work force. The food safety system prevents numerous serious illnesses and deaths from foodborne illness each year and supports the health, wellbeing, and productivity of our people.
2. The Ministry for Primary Industries (MPI) provides overseas authorities with assurances that exported food meets the requirements for entry to their markets. Overseas authorities generally trust our assurances, which are essential to food exports from New Zealand and to our economy. Food production makes up around nine percent of New Zealand's gross domestic product. In the year to June 2021 exports of food from New Zealand were worth \$37 billion, and food imports were worth around \$6 billion. New Zealand exports over 80 percent of food produced while food production, processing, and supply chain services provide around 219,000 jobs. Food Safety is a key part of the wider New Zealand food story.
3. The food safety system not only prevents numerous serious illnesses and deaths from foodborne illness each year, it also supports the health and wellbeing of consumers by ensuring that food is suitable and by enabling healthy food choices.

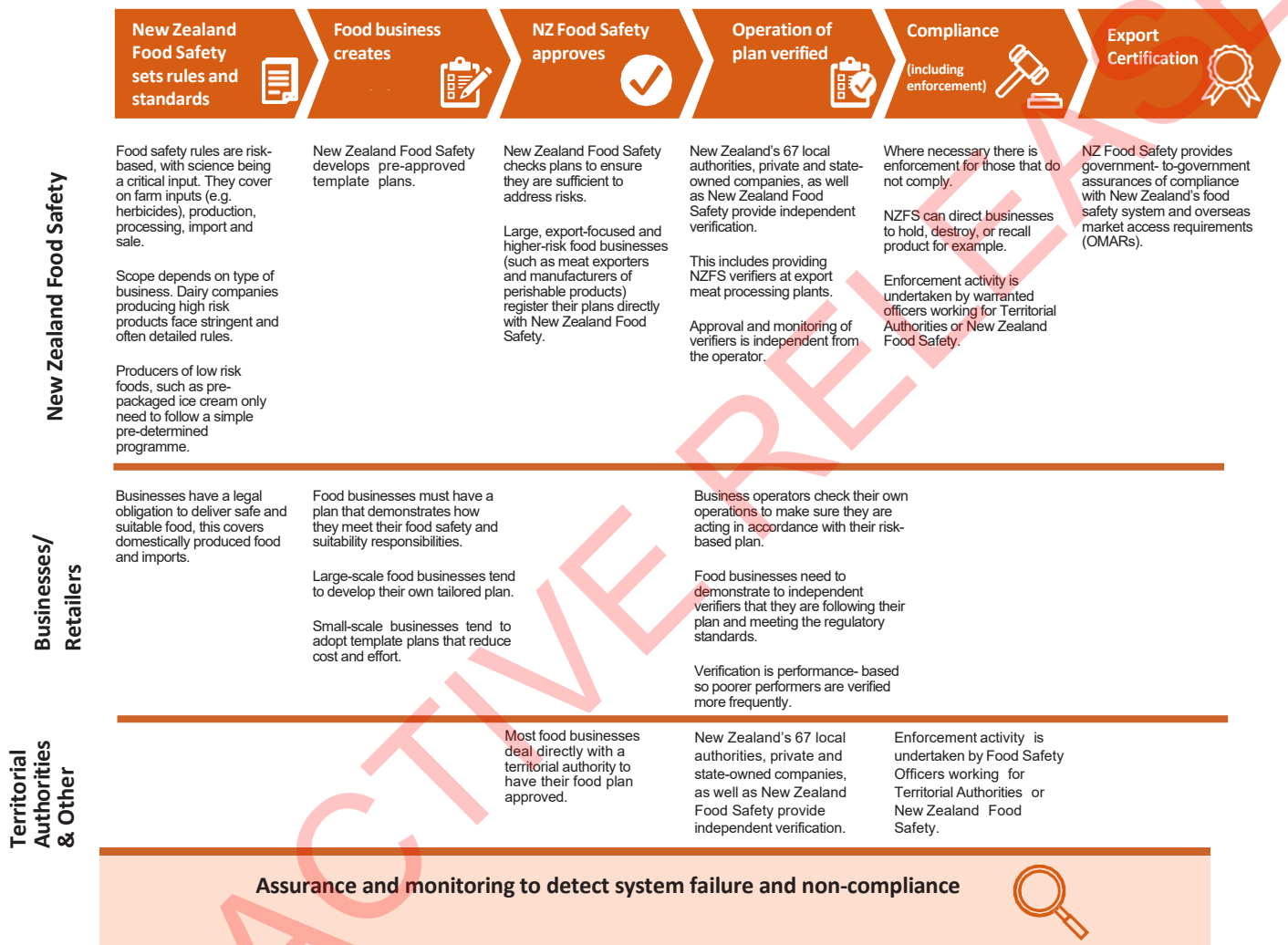
What is the Food Safety System?

4. The overarching aim of the food safety system is for food to be safe and suitable for its intended use by consumers in New Zealand and overseas. The system puts the primary responsibility for achieving food safety and suitability on food businesses.
5. The food safety system includes rules about production, processing, and sale of food. Many of these rules are set jointly with Australia. The rules are designed to help food businesses to meet their overarching responsibility to produce and sell safe food. Rules are generally outcome-based. Additional details are prescribed for high-risk foods or export-focused sectors.
6. Food businesses must follow some form of plan or programme setting out how they will meet their food safety responsibilities. Large-scale food businesses tend to develop their own tailored plan and have it approved by New Zealand Food Safety. Small-scale businesses tend to adopt pre-approved template plans.
7. Food businesses need to demonstrate to independent verifiers that they are following their plan and meeting the regulatory standards. New Zealand's 67 local authorities, private and state-owned companies, as well as New Zealand Food Safety, provide independent verification. Where necessary there is enforcement for those that do not comply. For example, New Zealand Food Safety can direct businesses to recall their product.

8. The successful operation of the food safety system also means that countries are willing to accept New Zealand exports. New Zealand's market access rests on the official assurances provided by MPI. A simplified representation of the food safety system is illustrated in the diagram below.

Overview of the Food Safety Regulatory System

Businesses have a legal obligation to deliver safe and suitable food...



Four main laws form the legislative basis for New Zealand's food safety system (Table 1).

Table 1: Food Legislation Overview

Name of Act	What it does
Food Act 2014	Regulates horticultural production, processing of food, food retail (e.g. supermarkets), and food service (e.g. cafes and restaurants) as examples. Provides for the adoption of joint Australia and New Zealand Food Standards that form part of the Food Standards Code.
Animal Products Act 1999	Regulates production, processing, and export of animal products (e.g. dairy products, meat, and fish).
Wine Act 2003	Regulates production, processing, and export of wine.
Agricultural Compounds and Veterinary Medicines Act 1997	Regulates the importation, manufacture, sale, and use of agricultural compounds and veterinary medicines including pesticides, herbicides, antibiotics, and animal feeds.

Your role as Minister for Food Safety

9. As Minister for Food Safety, you are responsible for New Zealand's food safety system, including:
 - a) strengthening cooperation and connections across government, businesses, community groups, Iwi and Hapū with respect to the food safety system;
 - b) leading policy and legislation development;
 - c) representing New Zealand on the Australia and New Zealand Food Ministers Meeting;
 - d) championing New Zealand's robust food safety system with international counterparts;
 - e) advocating New Zealand's interests in international fora; and
 - f) furthering and defending access for New Zealand food into overseas markets.

Shared Standards with Australia for Food Composition and Labelling

10. New Zealand and Australia share a joint Food Regulation System and have committed (via a Treaty) to sharing the same standards for food composition and labelling wherever possible. Goods legally able to be sold in one country can be legally sold in the other. Shared standards are set out in the Food Standards Code which is maintained by Food Standards Australia New Zealand (FSANZ). The joint Food Regulation System is part of the Closer Economic Relations (CER) framework¹.
11. The joint Food Regulation System is successful. Two-way food trade with Australia to June 2021 was worth \$5 billion, which accounts for around 12 percent of New Zealand's global two-way trade in food.
12. The joint Food Regulation System is unique in its governance and joint ministerial decision-making approach. It is governed by the Food Ministers Meeting, made up of Ministers responsible for food regulation from the Australian Commonwealth, Australian States and Territories, and New Zealand. The Minister for Food Safety is New Zealand's representative to the Food Ministers' Meeting. The joint Food Regulation System is complex and the process for making improvements can take time. A programme of work to modernise the joint Food Regulation System is underway. This programme provides a rare opportunity to improve the joint Food Regulation System's agility, and to support better representation of New Zealand's interests.
13. Officials support Ministerial engagement with the Food Ministers Meeting and support the functioning of the joint Food Regulation System generally.

¹ There are some Australia-only standards.

The role of MPI and New Zealand Food Safety

MPI and New Zealand Food Safety

14. The New Zealand Food Safety business unit of MPI is central in the delivery of the food safety system. Other cross-cutting MPI branches have important roles in the food safety system: principally, Policy and Trade. MPI Policy and Trade takes the lead on providing food policy advice and supports market access for New Zealand products.
15. To support your decisions about food safety regulation we provide evidence-based policy advice. We work with other ministries including the Ministries of Health, Environment, Foreign Affairs and Trade, Business, Industry and Employment and The Treasury to inform our advice.
16. We facilitate market access and implement trade agreements for food exports and imports. This relies on New Zealand's food safety system being robust, resilient, and capable of addressing importing country requirements.

New Zealand Food Safety

17. The New Zealand Food Safety business unit takes the lead on implementing the Government's food safety policy decisions, developing standards, monitoring the food safety system, responding to problems with food, and carrying out compliance activities. We provide official assurances on behalf of the New Zealand Government to overseas country governments and provide education and guidance to New Zealand businesses and consumers.²
18. New Zealand Food Safety is a large business unit with approximately 545 staff across its functions. However, the cost to the Government is relatively low as most operations are cost-recovered. Around 73 percent of the New Zealand Food Safety business unit's approximately \$100 million appropriation is recovered directly from food businesses for services such as issuing export certification and developing and monitoring food standards.
19. To develop effective regulatory controls on food, New Zealand Food Safety draws on international standards and research and develops scientific advice on food safety hazards and the effectiveness of possible regulatory approaches. This enables assessment of risk management options such as setting microbiological limits and developing rules about good operating practices.
20. New Zealand Food Safety regularly engages with food businesses across New Zealand, from the smallest fish and chip shop to the largest meat and dairy exporters. It provides approvals required by the rules for food plans submitted by businesses and maintains public registers of all regulated businesses. This high level of engagement helps to set effective, practical rules and provides high quality and practical guidance.

² Assurances commonly cover food safety and other matters such as animal and plant health, and how New Zealand food exports comply with trading conditions.

21. The food safety system depends on food operators contracting independent third parties to verify that the operators are following their food plans and are producing safe and suitable products. There are approximately 120 officially recognised entities in New Zealand that carry out verification activities, including 67 territorial authorities and some large providers such as Asure-Quality and Eurofins. The largest entity is the Verification Service within New Zealand Food Safety, which comprises around 270 verifiers.
22. New Zealand Food Safety cannot rely solely on independent third-party providers because some export markets require verification checks to be done by a government employee. For instance, some countries' governments require a veterinarian presence in meat processing establishments. Verification of places like containment and transitional facilities and live animal inspection activities at the border support New Zealand's market access. Verification also allows New Zealand to provide export certification which allows approximately \$25 billion in food exports requiring government documentation to enter foreign markets (like a visa in a passport for an exported food consignment).
23. New Zealand Food Safety undertakes a wide range of other monitoring and oversight activities to facilitate, maintain, and enhance trade. It oversees the performance and integrity of independent verification of export-focussed businesses, regulates imports, provides export certification and monitors the operation of this system. This extends beyond food safety into phytosanitary assurances (freedom from plant pests and diseases) and authenticity assurances such as halal or organic production. New Zealand Food Safety also manages risks to trade, biosecurity, and animal welfare through assessment and authorisation of agricultural compounds and veterinary medicines (including compounds used to kill or control vertebrate animals such as possums, as well as fertiliser and animal feeds), including the establishment and monitoring of maximum residue levels in food.
24. New Zealand Food Safety also responds to reports of food-related incidents, including managing food or food businesses causing foodborne illness and breaches of food legislation using a graduated, risk-based, and proportionate approach. Each year, we investigate between around 700-860 food complaints. The vast majority are managed through education and advice, but some require enforcement action such as directing a business to stop selling the non-complying product or prosecution. We also support food business to manage the removal of unsafe food from sale by coordinating around 160 food recalls each year.

New Zealand Food Safety Advisory Board

25. MPI established a Food Safety Advisory Board in February 2022. The Board is made up of seven external members who are senior, experienced individuals with national and international standing and who are active in their professions. They bring the following knowledge and experience to the board: regulatory systems design, operation and monitoring, food safety science, public health, food industry (large and small-scale), and te ao Māori and the Māori – Crown partnership.
26. The Advisory Board's role is to provide assurance to the Director-General MPI, and advice to the Deputy Director-General New Zealand Food Safety, on the overall direction and performance of New Zealand Food Safety, and issues relevant to the food safety system generally.

Changes to Food Safety Regulatory Requirements

27. Improvements to the food safety system include implementation of the Food Act 2014 and the Food Safety Law Reform Act 2018.
28. The Food Act represented a major programme to reform and strengthen food regulation of over 36,000 food businesses. It reformed the way food processing and handling is regulated and strengthened regulation of food imports, processed foods, restaurants and cafes, early childhood education centres, aged-care providers, and food retailers. In particular, the Food Act made it clear that food producers, sellers and providers (not the government) were responsible for food safety (delivering safe and suitable food) and removed the highly prescriptive rules that previously applied. Implementation was carried out in phases from 2016 to 2020. Under the Food Act only a small number of services are cost-recovered, while in other sectors such as animal products, wine, and agricultural compounds cost-recovery is well established.
29. The Food Safety Law Reform Act 2018 amended the Food, Wine, and Animal Products Acts to strengthen, improve, and align them. This also resulted in the redesigned Animal Products Regulations 2021 and Wine Regulations 2021, which will come into force on 1 July 2022. Minor and technical amendments to these regulations may be required to support implementation of the redesign and the supporting Animal Product Notices and Wine Notices. Implementation of the Food Safety Law Reform Act will be complete by the end of 2023.

Strategic Priorities to Support the New Zealand Food Safety System

These are the current priorities for the New Zealand food safety system over the next two-to-three years:

Addressing Opportunities, Risks and Gaps in the Domestic Food Safety System

30. New Zealand's food regulatory system is robust, and could be further strengthened to enhance public health, and support other outcomes such as biosecurity and animal welfare, for example: by enhancing performance indicators for the food safety system; strengthening and modernising the Agricultural Compounds and Veterinary Medicines regulatory regime; and improving the imported foods programme.
31. There is policy work underway to advance cost recovery in Funding for setting standards, monitoring and auditing across domestic and imported foods.
32. To strengthen New Zealand Food Safety, the Food Compliance and Response Directorate was established in December 2021. The Directorate is responsible for identifying, analysing and communicating new emerging food safety hazards and risks and preparing for, responding to and recovering from food safety incidents and responses.
33. The Ministry for Primary Industries' Food Compliance Services function was integrated into this directorate in 2022 and leads enforcement activities across the New Zealand food safety system. Food Compliance Services does this in collaboration with territorial authorities.

Modernising the joint Food Regulation System

34. This is an ambitious programme of reform to improve the agility and consistency of the joint Food Regulation System. This work offers an opportunity to increase our influence and progress New Zealand's priorities within the system. The Australian market represents a relatively easy first step for growing New Zealand food businesses, so we have a strong interest in ensuring the joint Food Regulation System is easy to navigate.
35. The programme includes:
 - a) a review of the operations of the joint Food Regulation System, including the Food Ministers Meeting, that New Zealand is co-leading; and
 - b) a review of the Food Standards Australia New Zealand Act 1991 and the FSANZ operating model, that New Zealand is contributing to.

Future of Certification

36. Export certification is essential to facilitating the international trade of a wide range of New Zealand primary sector products. The Future of Certification Programme seeks to replace, consolidate, and modernise New Zealand's critical export and import certification systems covering dairy, meat, seafood, wine, and plants. This programme will support New Zealand to keep pace in the exchange of digital export and import certificates; improve the provision of information with trade partners; and harmonise international trade processes and systems.

Supporting Exports of High-Value Products

37. Work is underway to ensure the regulatory framework is flexible enough to support businesses to respond quickly to emerging market opportunities, to increase the volume and value of exported food products.

Growing Value through Enhanced Assurances

38. The food safety regulatory system links to broader food initiatives that enable producers and processors to gain value. Existing New Zealand Food Safety capability could be used to grow value for exporters by providing assurances about food attributes sought by consumers: organic status; provenance; and health-related claims for example. An Organics Bill has been reported back to the House by Select Committee and is awaiting its second reading. The Organics Bill is the responsibility of the Minister of Agriculture. Work is also underway on proposed new export legislation to enable the Government to provide assurances about a broad range of product attributes for primary products. This contributes to telling the wider New Zealand Food Story.

PROACTIVE RELEASE

Appendix One: Key Work Programmes

These are the key work programmes underway in the Food Safety Portfolio in the coming year:

Control of *Salmonella* Enteritidis in Eggs and Poultry

- We are planning to deliver a permanent regulatory framework to manage the harmful bacteria *S. Enteritidis* before the existing temporary Emergency Control Scheme expires in October 2022. The main elements of the future regulatory framework are likely to include rules on:
 - Identification and traceability;
 - Risk management;
 - Monitoring and surveillance; and
 - Verification.

Future of Certification (Budget 2022)

- In 2022 we plan to select the preferred technology supplier and undertake change management, industry engagement and Māori partnership activities.
- The delivery phase of the programme is expected to start in the first quarter of 2023 with the start of the Technology Delivery project.

Fortification of Non-organic Bread Making Wheat Flour with Folic Acid

- To support a reduction in the occurrence of neural tube defects in new-born babies, New Zealand Flour Millers Association Incorporated will complete installation, train their staff and commission the systems needed to add folic acid to flour in 2022-23.
- We will support industry by co-designing guidance and documentation systems by June 2023. The fortification of non-organic bread making wheat flour with folic acid will commence by 13 August 2023.

Implementing a New Antimicrobial Resistance National Action Plan (Budget 2022)

- The current National Action Plan expires in 2022. New Zealand Food Safety received funding in Budget 2022 to initiate enhanced activities to address antimicrobial resistance in the animal and food sectors. New Zealand Food Safety will consult you about the new action plan, which is a joint undertaking with the Ministry of Health.

Regulation of Agricultural Inhibitors

- The Government has recently declared inhibitor substances³ to be agricultural compounds by Order in Council under the Agricultural Compounds and Veterinary Medicines Act 1997. This change enables New Zealand Food Safety to regulate inhibitor substances. The Order will come in force in July 2022. A transitional period of two years has been provided before businesses with inhibitor products already on the market in New Zealand will need to register them.
- We intend to develop guidance and support manufacturers and stakeholders to understand the requirements of registering inhibitors under the Agricultural Compounds and Veterinary Medicines Act and will manage the operational aspects including registration of inhibitors.

³ An example of an inhibitor substance is a chemical that inhibits nitrogen losses from soil.

Strengthening and modernising the Agricultural Compounds and Veterinary Medicines Regulatory System

- The MPI Inspector General recently reviewed the Agricultural Compounds and Veterinary Medicines regulatory system. While the system remains largely effective and fit-for-purpose, the review identified some social, economic, environmental challenges, as well as opportunities to strengthen and modernise the regulatory system. We are currently scoping potential policy and legislative changes to address these challenges and opportunities.

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