Impact Summary: strengthening food recalls and risk management programmes

Section 1: General information

Purpose
The Ministry for Primary Industries (MPI) is solely responsible for the analysis and advice set out in this Regulatory Impact Statement. This analysis and advice has been produced for the purpose of informing final decisions to proceed with a policy change to be taken by Cabinet.

Key Limitations or Constraints on Analysis
Consultation with relevant stakeholders attracted 34 in scope submissions. Most submissions were from industry organisations that represent the views of a large number of businesses. There was not enough financial data in these submissions to derive monetised impacts for the cost-benefit analysis. As no monetised cost-benefit analysis was performed, a range of monetary estimates across the economy have been used to indicate the potential scale of impact. However, the impact of compliance costs on business is one criteria that can and has been used to assess these regulatory proposals.

Responsible Manager (signature and date):
Fiona Duncan Director, Food and Regulatory Policy Policy and Trade Ministry for Primary Industries (MPI) / /2019

Section 2: Problem definition and objectives

2.1 What is the policy problem or opportunity?

Background

There are two suites of regulatory proposals contained in this Impact Summary. They address two areas of the food safety system: food recalls and risk management programmes under the Animal Products Act that were identified for improvement by the Whey Protein Concentrate Contamination (WPC) Incident. Each suite is made up of a number of individually assessed proposals. Some food businesses will already be compliant with some of these proposals.

In August 2013, MPI was notified that batches of whey protein concentrate might be contaminated with *Clostridium botulinum*. They were not but the incident negatively impacted on New Zealand's reputation as a supplier of safe food. The WPC inquiry made 38 recommendations to improve food safety outcomes, and all were accepted by Cabinet. To implement the WPC Inquiry recommendations required statute change, and the Food Safety Law Reform (FSLR) Act 2018 amended the Animal Products Act 1999, the Food Act 2014 and the Wine Act 2003 (the three food safety Acts), enabling regulations to be made to strengthen food recalls and improve risk management programmes. In doing so, it took steps to harmonise the WPC Inquiry's recommendations across the three food safety Acts.

A central principle of the regulatory model is that most food businesses are required to operate under a risk-based plan or programme[1]. They aim to ensure food is safe, and suitable for human consumption or its intended purpose, and are legally binding documents specific to an individual operator's business. Lower risk food businesses who are not required to operate under the above risk-based tools are still subject to general requirements of the Acts and, where specified, regulations and notices set under primary legislation.

Food Recalls

Current situation

The system recognises that businesses following their risk-based plan or programme, may accidentally produce food that may neither be safe, suitable, nor fit-for-purpose. In such instances, these businesses may need to recall their products. One-up, one-down[2] traceability forms the basis for identifying and recalling unsafe or unsuitable food products. It is required of all business that have a risk-based plan or programme, or that import food for the purposes of trade.

Problem

Current food recall requirements are not consistent across the food safety Acts and are spread across legislation, regulations, and notices. This can make it difficult for businesses to identify and comply with their precise requirements. Requirements also do not apply consistently to all businesses in food supply chains, with some exporters not being required to maintain recall procedures. These gaps could be exposed in a food safety incident, making it harder to recall food products.

[1] These tools are called either risk management programmes (or regulated control schemes) under the Animal Products Act, risk-based measures (food control plans or national programmes) under the Food Act, or wine standards management plans under the Wine Act

[2] This is where businesses maintain records of the foods and products they have bought or sold, and from whom or to whom they have bought or sold them.

There is also no requirement to test recall procedures. This means that some recall procedures are 'tested' for the first time during a product recall. Faults and inaccuracies can lead to inefficient and ineffective recalls where the public is exposed to unsafe and unsuitable food for longer than necessary, and more products may be recalled than is necessary.

Other problems with food recalls occur because there are:

- no explicit requirements around what records need to achieve or how accurate they need to be;
- varied and lengthy information sharing requirements that can be too slow to effectively recall unsafe or unsuitable food; and
- no requirements on the format of traceability information shared during a recall, allowing records to be supplied to MPI that cannot be easily extracted and analysed.

How these problems can have an impact on New Zealand

Weaknesses in food recall procedures and traceability records can have the following impacts in the event of a food recall:

- increased health risk through having unsafe and unsuitable food exposed to the public for longer;
- more food products being recalled than is necessary because of imprecise record keeping; and
- negative reputational impacts for food produced in New Zealand with a corresponding drop in demand.

Risk Management Programmes (RMP)

The WPC Inquiry found that businesses have been able to provide an outline of their RMP to MPI (rather than the whole document) when seeking registration. This has resulted in MPI having limited oversight of the details of the specific processes operators have agreed to follow to address identified risks. Consequently, where outlines have been submitted, MPI does not have enough information to identify an operator's food safety risk management strategies and practices quickly and efficiently. This lack of information creates inconsistency between the three food Safety Acts as the information is required in food control plans under the Food Act and wine standards management plans under the Wine Act.

Updates are required to improve food safety and make it easier for businesses to comply with RMP requirements. The requirements for what needs to be in a RMP are spread across a number of notices making it difficult for operators to know what and where their legal obligations are. Some of the technical requirements for what needs to be in an RMP are also outdated and need to be updated including requiring reasons for setting limits for food safety aspects that do not have a limit set in notice. If this continues and operators have validated their RMP against inappropriate limits, this can not only be costly and resource intensive to rectify, but there could also be a risk to the consumer.

2.2 Who is affected and how?

These proposals seek to change the behaviour of food businesses through the creation of new regulations enabled by the FSLR Act. The intended strengthening of food recalls and improvement of risk management programmes will enhance New Zealand's food safety system and international reputation as a supplier of safe and suitable food.

The Government of the day supported the intent of these proposals by accepting all the recommendations of the WPC Inquiry. Key international trading partners are aware of, and are tracking, these recommendations, expect improvements to be made, and are monitoring our progress towards addressing the recommendations of the WPC Inquiry.

Businesses are aware of the changes being made, as they have been well signalled since the WPC Inquiry report was published in 2014. Businesses are largely supportive of the proposals, and their views are considered further in section 5.1 below.

2.3 Are there any constraints on the scope for decision making?

The scope of the decision making was constrained by the recommendations of the WPC inquiry and the response implemented by the FSLR Act on the food safety acts. The WPC inquiry made a number of recommendations to strengthen food recall requirements and improve risk management programmes. The FSLR Act implemented the WPC Inquiry recommendations that required statute change, and amended the Animal Products Act 1999; the Food Act 2014; and the Wine Act 2003 to ensure the recommendations were harmonised across the three main food safety Acts.

Section 3: Options identification

3.1 What options have been considered?

Criteria

Consistency – requirements across all food safety Acts and food businesses are harmonised as much as possible where appropriate to assist businesses who work across multiple food safety Acts.

Clarity – requirements are made more visible, explicit, and are consolidated into regulations under each food safety Act so that all operators throughout the food system are aware of their responsibilities and obligations, and comply with them for better food safety outcomes.

Efficiency and Effectiveness – requirements promote for effective and efficient food recalls where all unsafe or unsuitable food products are removed from the system as quickly as possible without unnecessary delays or costs.

Cost minimisation – compliance costs imposed on the food sector and costs associated with proposals are minimised, while being proportionate and consistent with the need for food to be safe and suitable.

Two suites of proposals

Below are two suites of proposals. One suite addresses the problems associated with food recalls, the other addresses problems identified with risk management programmes. Each suite contains a number of regulatory options that have been individually assessed against the status quo. The food recall suite considers five issues, and the risk management programme suite considers two issues. These could be implemented as a package or individually.

Options considered – Food recalls

Status Quo	Options
Issue A - Who must maintain food recall procedures	
Businesses subject to risk-based plans and programmes and food importers must maintain recall procedures. Some exporters of food may not be captured by recall requirements, as they are operating	Businesses with risk-based plans or programmes, and importers or exporters of food, must maintain food recall procedures. This closes the existing gap in food supply chain for some exporters. In the case where food has become unsafe or unsuitable, these

outside the need for an RMP, and therefore leaving a gap in the food supply chain should a recall be required.	exporters will need to notify MPI as soon as possible, and no later than 24 hours of having knowledge of the event.
Issue B – What traceability information should achieve	
There are no clear or explicit requirements regarding the effectiveness or accuracy of traceability information, and internal traceability requirements vary between the food safety Acts	**Option 1:** explicit requirement for food businesses to maintain accurate traceability systems that trace ingredients and food products externally and internally, and allow for effective tracing and recall. Makes requirements clear and consistent although the higher level of internal traceability required will be cost prohibitive to many businesses who are able to effectively manage food risks by recalling more product, rather than specific product that have recalled ingredients.
	Option 2: same as option 1, but less change surrounding internal traceability. Internal traceability procedures would need to, at a minimum, allow businesses to identify and locate ingredients within their operations. If a business is currently required to maintain more detailed internal tracing procedures, these would be maintained. Makes requirements clear and consistent, and maintains business flexibility.
	Option 3: same as option 1, with the addition of tracing food packaging. Same pros and cons as option 1, and likely greater cost to businesses.
Issue C – How quickly information must be shared	
Information sharing requirements vary between the food safety Acts, ranging from within 24 hours of decision to make a recall, to two days after the information has been requested. These requirements are inconsistent with each other as well as the powers that a food safety officer has to request documents "within a reasonable time that the officer specifies".	Information is to be provided to MPI within the time specified by an MPI warranted officer (food safety officer, animal products officer, or wine officer), or within 24 hours, whichever is shorter. Creates consistency between the food safety Acts and is consistent with the powers already held and utilised by warranted officers, that apply across all food safety Acts.

Issue D – Requirement for mock recall exercises	
No requirement for mock recalls, although some businesses already perform these as a part of certification for private food safety standards. Recall procedures may only be 'tested' during a genuine product recall, leading to the chance of longer and more inaccurate recalls than necessary, as businesses may be unsure of the process.	**Proposal D:** mock recalls would be required to be performed every 12 months unless a successfully managed, genuine recall has occurred in the previous 12 months. Mock recalls prepare businesses for genuine recalls, improving the speed and accuracy of recalls.
	Alternative option: mock recalls are required to be performed and verified every 12 months. Same benefits as Proposal D, however high frequency of verification does not reflect current risk-based legislation and would be too costly for many lower risk businesses.
Issue E – Format of traceability information supplied during recall	
There are no requirements for the format of information that needs to be supplied during a recall. Inconsistent or unclear formats can make it difficult for MPI to analyse during a time-sensitive recall	**Proposal E:** in the event of a recall, traceability information must be supplied to MPI in a readily accessible format. Data would become much easier for MPI to analyse during a time-sensitive recall, and maintains businesses flexibility to develop a format that suits their business.
	Alternative option: information must be supplied to MPI or a registered verifier electronically and in a specified format. Data is much easier to analyse, but would require businesses to develop or adjust current software that brings additional costs for businesses, or spend time formatting when a recall occurs, slowing the transfer of information.

Options considered – Risk management programmes

Status Quo	Options
Issue F – Content must be provided for registration of an RMP outline	
Currently, under the Animal Products Act an operator can choose to send in an outline or the full risk management programme to MPI at the time of registration. The outline that operators send in does not include the hazard identification and management information. Without the detailed hazard identification and management information, MPI does not have enough information to quickly and efficiently identify an operator's food safety risk management strategies and practices. It also creates inconsistency between the three food safety Acts as the information is required under the Food Act and Wine Act is an outline is sent in for registration.	**Proposal F:** if an operator submits an outline of their RMP for registration, the hazard identification and management information (e.g. the HACCP plan) must be supplied in addition to the current requirements. Operators with a food control plan under the Food Act are already required to provide this information, as are operators with a wine standards management plan under the Wine Act. This proposal resolves the inconsistency between the three food safety Acts, by requiring this provisions of information.
Issue G – Requiring reasons for setting limits for food safety aspects	
Limits set the point where the level of risk moves from acceptable to unacceptable, in relation to the critical control point. This is the point where controls can be applied to prevent, eliminate, or reduce hazard. When there is no limit set through regulation, operators are required to set their own. There is no requirement that operators provide a reason for a limit they have just set, meaning the parameter may not be appropriate, or it might be set at the wrong level. Relying on wrong or inappropriate operator-defined limits within a RMP presents a risk and reviewing and correcting these limits takes time and resource to during the evaluation process. If the operator has validated the RMP against inappropriate limits this can also be costly and resource intensive to rectify. In the costliest scenario to remedy, validation work would need to be repeated.	**Proposal G:** Include a requirement that operators set out the reason for each operator-defined limit in relation to food safety. This would confirm that the operator has considered the appropriateness of the limits they set, the level they have been set at, and has good justification for the limits selected.

3.2 Which of these options is the proposed approach?

The options chosen from the proposals are summarised in the table below.

Proposal	Option chosen
Issue A – Who must maintain food recall procedures	Businesses with risk-based plans or programmes, and importers or exporters of food, must maintain food recall procedures.
Issue B – What traceability information should achieve	It is proposed to make it an explicit requirement for traceability systems to be accurate and allow for the effective tracing and recall of food.
Issue C – How quickly information must be shared	Traceability information held by a food business be provided to MPI within the time specified by an MPI warranted officer (food safety officer, animal products officer, or wine officer), or within 24 hours, whichever is shorter.
Issue D – Requirement for mock recall exercises	It is proposed to require mock recalls to be performed every 12 months.
Issue E – Format of traceability information supplied during recall	It is proposed to require the information supplied by a business in the event of a recall to be in a readily accessible format (that is, presented in a consistent format on each page, allowing for key information to be extracted easily from either digital or hard copy).
Issue F – Content must be provided for registration of an RMP outline	It is proposed to require the hazard identification and management information from operators if they choose to send in an outline of their RMP.
Issue G – Requiring reasons for setting limits for food safety aspects	It is proposed to replicate the requirements for what needs to be in a RMP from multiple notices into one set of regulations under the Animal Products Act.

The reasons for accepting each of the proposals:

Proposal A) Requiring businesses with risk-based plans or programmes, and importers or exporters of food, to maintain food recall procedures makes the new requirements consistent across all food sectors. It would also add clarity by consolidating and making explicit the requirements currently spread across regulations and notices.

Criteria	*Consistency*	*Clarity*	*Effective and efficient recalls*	*Cost minimisation*
Status quo	×	✓	✓	✓
Proposed approach	✓✓	✓✓	✓✓	✓

Proposal B) Making it an explicit requirement for traceability systems to be accurate and allow for the effective tracing and recall of food codifies what is expected now of a food businesses record keeping and recall procedures. Consistency of external traceability requirements would be achieved under this option and greater clarity would be achieved by making the requirements more explicit.

Criteria	*Consistency*	*Clarity*	*Effective and efficient recalls*	*Cost minimisation*
Status quo	×	×	✓	✓
Option 1	✓	✓✓	✓	×
Proposed approach	✓	✓✓	✓	✓
Option 3	✓	✓✓	✓	×

Proposal C) Providing traceability information held by a food business to MPI within the time specified by an MPI warranted officer or within 24 hours, whichever is shorter, would result in consistent and clear traceability information provision requirements across the food safety Acts. It would also bring information-provision requirements in line with how officers can currently use their powers to require information.

Criteria	*Consistency*	*Clarity*	*Effective and efficient recalls*	*Cost minimisation*
Status quo	×	×	✓	✓
Proposed approach	✓✓	✓✓	✓✓	✓

Proposal D) Requiring mock recalls to be performed every 12 months should minimise the costs of performing recalls when they occur, and potentially minimise the amount of product that needs to be recalled and disposed of. There would be new costs for those businesses that do not already perform mock recalls, however, most already perform traceability exercises as part of their verification. The additional activities needed to simulate a recall are unlikely to cause a significant impact on businesses. By linking verification of mock recalls to current verification frequencies, the impact on and cost to businesses would be minimised.

Criteria	*Consistency*	*Clarity*	*Effective and efficient recalls*	*Cost minimisation*
Status quo	N/A	N/A	✓	✓
Proposed approach	**N/A**	**N/A**	✓✓	✓
Alternative option	**N/A**	**N/A**	✓	×

Proposal E) Requiring the information supplied by a business in the event of a recall to be in a readily accessible format would maintain maximum flexibility for businesses, and avoid over-burdening them with costs associated with adapting systems and information to fit a prescribed format. Having information supplied in a manner that allows it to be manipulated easily and quickly will assist efficient and effective recalls.

Criteria	*Consistency*	*Clarity*	*Effective and efficient recalls*	*Cost minimisation*
Status quo	N/A	N/A	✓	✓
Proposed approach	**N/A**	**N/A**	✓✓	✓
Alternative option	**N/A**	**N/A**	✓	×

Proposal F) Requiring the hazard identification and management information from operators is something that many businesses already provide to MPI and operators would not be required to produce any new information, only to supply it to MPI when they register their next significant amendment. This means there are no additional costs involved. This also aligns and provides consistency with food control plans under the Food Act and wine standards management plans under the Wine Act, closing a potential gap in the food safety system.

Criteria	*Consistency*	*Clarity*	*Cost minimisation*	*Effective and Efficient recalls*
Status quo	×	**N/A**	✓	**N/A**
Proposed approach	✓✓	**N/A**	✓	**N/A**

Proposal G) Replicating the requirements for what needs to be in a RMP from multiple notices into one set of regulations under the Animal Products Act would save time and resources during evaluation and registration. It will assist in ensuring that food safety hazards have been properly identified and controlled by the RMP, and that the resulting product will be fit for its intended purpose. This proposal would also bring about increased consistency because both regulatory and operator defined limits will have reasons for why they are set, there is also increased clarity about requirements.

Criteria	*Consistency*	*Clarity*	*Cost minimisation*	*Effective and Efficient recalls*
Status quo	×	×	✓	**N/A**
Proposed approach	✓✓	✓✓	×	**N/A**

Table Key:

×	does not meet criteria
✓	somewhat meets criteria
✓✓	meets criteria
N/A	not applicable to criteria

Section 4: Impact Analysis (Proposed approach)

Two summary tables are presented. The first relates to the food recall suite of proposals and the second relates to the risk-based plan and programme suite of proposals. As no monetised CBA was performed, impact estimates were based on the following monetary ranges across the economy:

- Low impact - $0 to $5,000,000
- Medium impact - $5,000,001 to $10,000,000
- High impact - $10,000,001 +

These estimates represents the total impact on all businesses impacted by the proposed changes. No single business will be impacted by the total, but instead numerous small businesses may be impacted either slightly or not at all, adding up to a total across industry adhering to the food safety regulations.

Food recalls

4.1 Summary table of costs and benefits – Food recalls

Affected parties *(identify)*	**Comment**: nature of cost or benefit (e.g. ongoing, one-off), evidence and assumption (e.g. compliance rates), risks	**Impact** *High, medium or low for non-monetised impacts*	**Confidence in estimate for non-monetised impacts**
Additional costs of proposed approach, compared to taking no action – Food recalls			
Regulated parties	• New costs for small number of exporters who will be subject to recall requirements for the first time – one off [3] • Process improvements may be required to promptly share information that is in a readily acceptable format – one off • Small increase in costs to some to perform mock recall – on-going • Potential increase in verification costs – on-going	Low	High
Regulators	• Re-issuing guidance to ensure new requirements are understood - one-off, part of business as usual	Low	High
Wider government		Not applicable	
Other parties		Not applicable	
Non-monetised costs		*Low*	High

[3] For an unknown number of export businesses (likely small), a quick check will be required to identify if their records can identify where their products have come from and where they go to. As businesses require such records for other purposes, this cost is considered not material.

Expected benefits of proposed approach, compared to taking no action – Food recalls			
Regulated parties	• Improved reputation as a trusted food supplier through more in-depth and visible regulations and more effective recalls – on-going (proactively and reactively) • Businesses maintain flexibility to make economic decisions while still managing food safety – on-going • Risk-based approach of the Food Act is maintained – on-going • Consistent and clear requirements across food safety Acts – on-going • Strengthened food recalls and systems, will lead to lesser financial and reputational costs when a food recall occurs – on-going[4] • Mock recalls will lead to continuous improvement and greater efficiencies – on-going	Medium	Medium
Regulators	• Receive more reliable information, faster response during recall – on-going • Clearer and more consistent regulations communicate requirements better and enhance enforceability – on-going	Low	High
Wider government		Not applicable	
Other parties	• Greater trust in New Zealand food products from key trading partners due to implementing signalled improvements – on-going • Consumers will experience lesser health risks with recalls being faster and more efficient – on-going	Medium	Medium
Non-monetised benefits		*Medium*	*Medium*

[4] Following Fonterra's inability to trace WPC during their food scare, research estimated that their dairy exports reduced between $105 million and $347 million in the year following the WPC incident (https://www.victoria.ac.nz/sef/research/pdf/2016-papers/SEF-Working-Paper06-2016.pdf). This loss could have been reduced had their traceability procedures been working effectively.

Risk Management Programmes

4.1 Summary table of costs and benefits – Risk Management Programmes

Affected parties *(identify)*	**Comment**: nature of cost or benefit (eg ongoing, one-off), evidence and assumption (eg compliance rates), risks	**Impact** *$m present value, for monetised impacts; high, medium or low for non-monetised impacts*	**Confidence in estimate for non-monetised impacts**
Additional costs of proposed approach, compared to taking no action – Risk Management Programmes			
Regulated parties	• Operators would be required to provide their hazard identification and management information to MPI if they have not already done so. They already hold the information, just need to send it in – one off.	Low	High
	• Identifying reasons for setting limits could require operators to revisit some of the limits they have set, which could be a large number for bigger operators with large product lines – one-off.	Low	High
Regulators	• Re-issuing guidance to ensure new requirements are understood - one-off, part of business as usual.	Low	High
Wider government		Not applicable	
Other parties		Not applicable	
Non-monetised costs		Low	High

Expected benefits of proposed approach, compared to taking no action – Risk Management Programmes			
Regulated parties			
Regulators	• MPI having and holding hazard identification and management information would allow MPI to know how operators propose to manage significant food safety hazards, and identify any systemic weaknesses across the system.	Medium	High
	• Time and resources would be saved during evaluation and registration as	Low	High

	operators make more effort to ensure that operator defined limits are appropriate and properly set.		
Wider government		Not applicable	
Other parties	• Greater trust in New Zealand food products from key trading partners due to implementing signalled improvements – on-going	Medium	Medium
Non-monetised benefits		Medium	High

4.2 What other impacts is this approach likely to have?

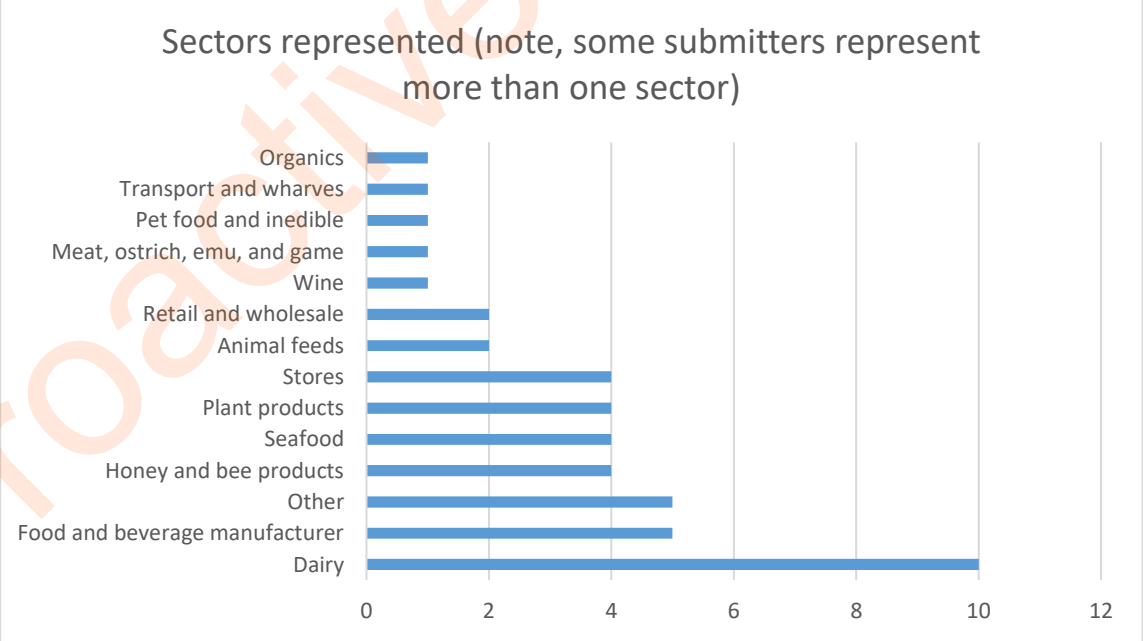
Not applicable.

Section 5: Stakeholder views

5.1 What do stakeholders think about the problem and the proposed solution?

Who has been consulted

In 2018, MPI released a discussion document for public consultation (found here). Consultation opened on 25 October 2018 and closed on 7 December 2018. MPI received 35 submissions including one that was deemed out of scope. The following sectors were represented in submissions (seven form submissions were received from the dairy sector).



Submissions were received from industry organisations, food businesses, local government, and IT/technology providers. Of the 21 respondents who directly addressed the objectives of the consultation, 90% of respondents agreed (either wholly, generally, partially, or in principle) with them.

Food Recalls

Do stakeholders agree with the analysis of the problem?

91% of submitters agreed that the current food recall requirements needed to be strengthened, consolidated, and made more consistent across the food safety Acts (of the 22 submitters that addressed this consultation question).

Do submitters agree with the proposed approach?

Broad support was received for the proposed approach put forward in this summary impact statement. A table with a breakdown of support for the proposals can be found in **Appendix One.**

Was the proposed approach modified as a result of stakeholder feedback?

- One proposal, to require traceability information to be kept for the time specified under the Food Safety Act, or one year past the shelf-life, whichever is longer, has not been progressed. This is because the majority of submissions were not in support of this proposal, or their agreement was qualified with suggestions for exceptions for certain products, which would create more inconsistency between legislation. Submitters commented that 'one year past the shelf-life' is an unclear timeframe, with little guidance to determine what this timeframe would be. Submitters also identified there is little food safety benefit derived from storing records for longer than the timeframes specified in the Acts for long-life products, because food safety issues would have been identified in the current record keeping times. This means the cost of storing records for longer would not outweigh any benefit of having the information available, as the information is very unlikely to be used. Submitters also noted that this proposal does not create consistency across food safety legislation.
- A couple of submitters commented about on the notification of events that may make food unsafe or unsuitable. There are already notification requirements for food businesses with risk-based plans and programmes under the food safety Acts, and for all exporters under the Animal Products Act and Wine Act. Proposal A, as consulted on, extended food recall requirements to all exporters, so some exporters would not have a notification requirement if not addressed. Therefore, Proposal A now includes a notification requirement for these exporters.
- Where options were provided, the most popular option aligns with MPIs proposed approach.

Risk-based plans and programmes

Regarding the intent of risk-based plans and programmes proposals, fifteen (15) respondents directly addressed the problem/opportunity question. Of these 53% agreed with the problem/opportunity. The support was based on reasoning including, an opportunity to clarify and clearly define requirements, and agreement with aligning the three food safety Acts.

Content that must be provided for registration

Fifteen (15) submitters submitted on this proposal with 11 commenting in support of the proposal. Comments in favour of the proposal said that it would provide consistency across the food Acts and that sharing information about the prevention plan would help detect possible weaknesses. Some of those against the proposal had misunderstood it as MPI is

not requiring any new information to be created, just provided to MPI if an outline, instead of the whole RMP to be provided to MPI.

Requiring reasons for setting limits for food safety aspects that do not have a limit set in notice

This proposal was part of a package of minor and technical changes proposed to the requirements for what needs to be in a risk management programme. An exemption has been granted for the remaining technical changes. Of the 17 submitters who submitted on the package of proposals, five agreed, five disagreed and seven remained neutral.

Differentiating food safety material from non-food safety material

One proposal has been modified as a result of stakeholder feedback. There was a proposal that operators of new and existing risk-based plans and programmes would be required to differentiate food safety matters and related regulatory requirements from non-food safety content in all risk-based plans and programmes submitted to MPI. This proposal had already been amended from the original WPC Inquiry recommendation as a result of public feedback when policy proposals for the Food Safety Law Reform Act were being considered. The Inquiry had originally recommended that food safety and non-food safety matters be completely separated in risk-based plans and programmes.

Almost 70% of submissions received during this consultation on this proposal were against it. Many commented that the food safety benefits would not outweigh the costs, and that it adds unnecessary costs and complexity. MPI agreed with their views and therefore it was decided not to continue with the proposal to require differentiation.

Section 6: Implementation and operation

6.1 How will the new arrangements be given effect?

It is intended that businesses will have 12 months to transition to the proposed food recall and risk-based plans and programme requirements. Compliance would be checked at the businesses' next verification, after the 12 month transition period timeframe has elapsed from when the regulations came into force. This was adjusted from 6-12 months due to feedback from submitters that 6 months was not sufficient time to implement the changes.

MPI would ensure the changes are communicated directly to those that may be impacted through key industry groups like Dairy Companies Association of New Zealand, Meat Industry Association, Seafood New Zealand, and the Food and Grocery Council. Information about these changes will also be made available on the MPI website and sent out to stakeholder email lists. MPI will provide support and guidance to stakeholders to ensure the new regulations are implemented smoothly.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?
MPI will monitor the implementation of the regulatory changes as part of its ongoing monitoring of the regulatory systems. The details of the system is reassessed every 4 years and helps determine how well our regulatory systems are working, what we are doing well, and the changes we can make to do better. MPI will also monitor the impact of any changes through the use of stakeholder engagement forums.

7.2 When and how will the new arrangements be reviewed?
There is no plan to conduct a formal review of the amendments within a particular timeframe. However, as has always been the case, stakeholders will raise issues to do with the application of the food recall and risk management programme regulations and feedback from the sector will provide information about whether and when to review the amended regulations again.

Appendix One: Break down of public support for food recall proposals

	# of submitters on issue	% support (full, in principle, with condition)	Comment
Issue A	33	100%	Only one business identified that this would require them to maintain recall procedures for the first time (of which, they already maintain).
Issue B	24	62% - option 2	Preference for maintaining current internal traceability requirements based on the option being the most cost effective while providing adequate food safety control and allowing business flexibility to make decisions about the level of business risks they take. This option has less precision than the other options and may lead to costlier recalls for businesses as more product may need to be recalled. Packaging will not be specifically be traced.
Issue C	20	65%	Support based on consistency between Acts, faster recalls halting spread of defective product, and setting clear expectations. May lead to multiple and/or less accurate information updates being supplied because of time pressure.
Issue D	30	90%	Support based on increasing confidence in recall procedures while preventing financial, health, and reputational costs in the event of a recall. Will bring additional costs for some to get up to standard, some mock recalls may not get verified, potential to mistake a mock recall for a real recall and vice versa.
Issue E	31	84%	Support based on maintaining business flexibility and costs (systems and time) that would be associated with a more prescriptive approach. This will not meet the recommendation of the Dairy Traceability Working Group for data to be electronic and standardised that would allow for easier and faster use of information.