

Food Safety/Haumaru Kai Portfolio Briefing 2023

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Purpose

This briefing provides an overview of:

- the New Zealand Food Safety system;
- the role of the Minister for Food Safety, the Ministry for Primary Industries (MPI) and New Zealand Food Safety/Haumarū Kai Aotearoa; and
- strategic priorities.

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The Food Safety System

Introduction

New Zealand Food Safety/Haumarū Kai Aotearoa (NZFS) operates across the food system to protect the health of consumers in New Zealand and wherever New Zealand food is exported. 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.

The Ministry for Primary Industries/Manatū Ahu Matua (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 9 percent of New Zealand's gross domestic product. In the year to March 2023, exports of food from New Zealand were worth \$45.1 billion, and food imports were worth around \$7.8 billion. New Zealand exports over 80 percent of food produced, while food production, processing, and supply chain services provide over 200,000 jobs. Food safety is a key part of the wider New Zealand food story.

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.

The food safety system is aligned with international norms and expectations as outlined by the Food and Agriculture Organization of the United Nations. New Zealand participates in the establishment of international standards for food (CODEX) and these standards underpin our regulatory system.

What is the food safety system?

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.

The food safety system includes rules about production, processing and sale of food. Many of these rules are set jointly with Australia and follow international norms (as outlined in CODEX). 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.

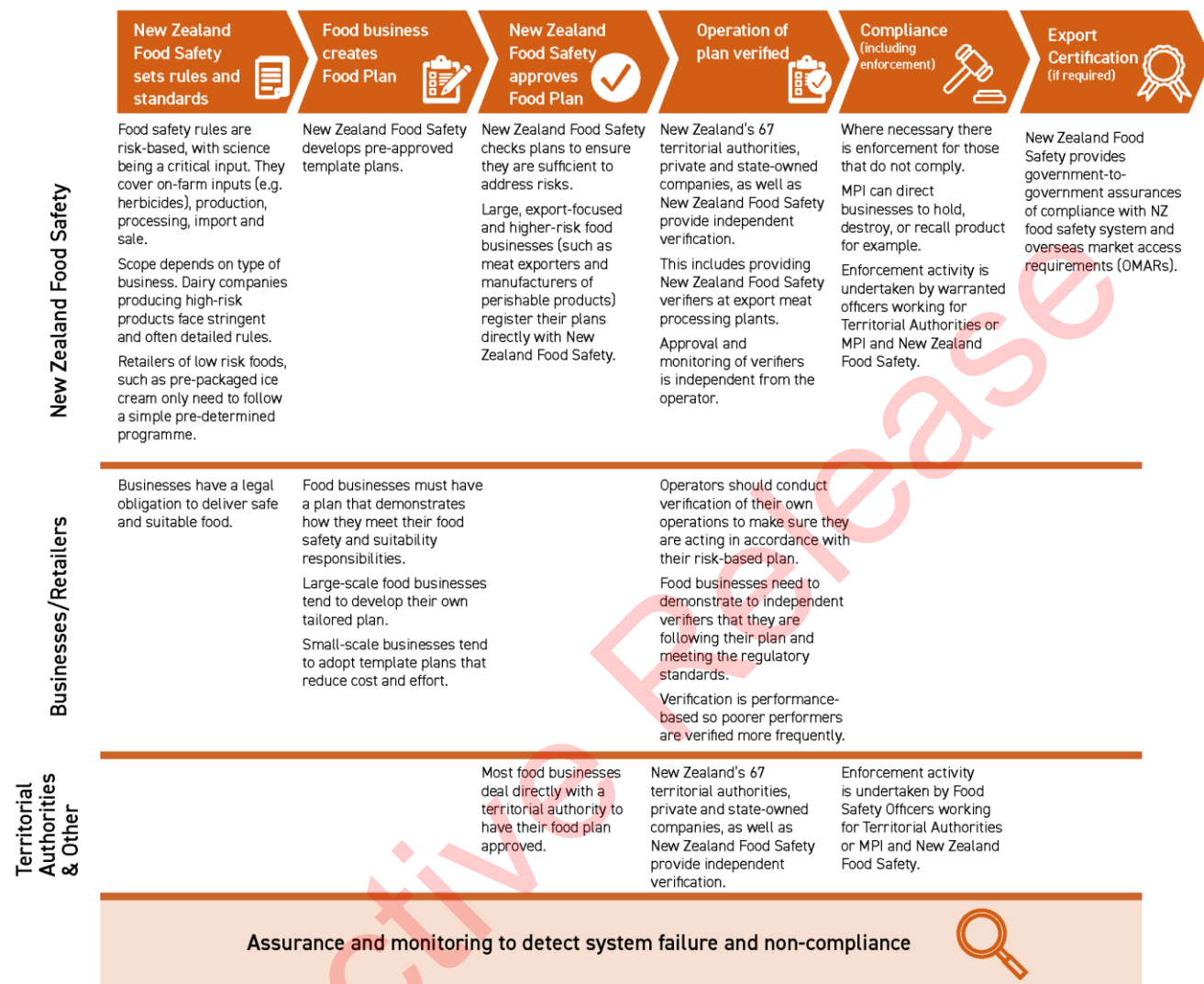
Food businesses must follow some form of plan or programme setting out how they will meet their food-safety responsibilities. Large-scale food businesses tend to develop their own tailored plan and have it approved by NZFS. Small-scale businesses tend to adopt pre-approved template plans.

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 NZFS, provide independent verification. Where necessary, there is enforcement for those that do not comply. For example, NZFS can direct businesses to recall their product.

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 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.

Shared Standards with Australia for Food Composition and Labelling

New Zealand and Australia share a Joint Food System and have committed (via a treaty) to sharing the same standards for food 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 System is part of the Closer Economic Relations (CER) framework.¹ 2023 marks the 40th anniversary of CER.

The Joint Food System is successful. Two-way food trade with Australia to March 2023 was worth \$6.4 billion, which accounts for around 11 percent of New Zealand's global two-way trade in food.

The Joint Food 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.

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 the Minister for Food Safety

As Minister for Food Safety, you have overall responsibility for New Zealand's food safety system. The Ministry for Primary Industries/Manatū Ahu Matua and New Zealand Food Safety/Haumarū Kai Aotearoa provide you with advice and are responsible for the ongoing management of the food safety system.

You have responsibilities to:

- shape the overall policy direction for food safety, in partnership with Ministerial colleagues, Treaty partners, businesses and community groups. You have specific responsibilities under the Food Act 2014, Animal Products Act 1999, Wine Act 2003 and Agricultural Compounds and Veterinary Medicines Act 1997;
- strengthen the Crown-Māori relationship in the context of the food safety system, which includes a duty to actively protect Māori interests in the use of whenua (land), natural resources and kaitiakitanga of taonga species and mātauranga Māori;

- represent New Zealand on the Australia and New Zealand Food Ministers Meeting (hosting this meeting in New Zealand on 28 July 2023);
- champion New Zealand's robust food safety system with international counterparts in support of New Zealand's market access objectives;
- advocate for New Zealand's interests in international fora;
- work with Ministerial colleagues and across portfolios to influence and align policy settings.

The portfolio requires working with Ministerial colleagues and has links to other portfolios and areas including health, biosecurity, consumer affairs, trade, agriculture, environment, Māori wellbeing and development, Pacific peoples, and social development.

MPI provides support for you to deliver this portfolio.

The role of MPI and New Zealand Food Safety/Haumaru Kai Aotearoa

MPI and New Zealand Food Safety

The New Zealand Food Safety/Haumaru Kai Aotearoa (NZFS) 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. The MPI Policy and Trade branch takes the lead on providing food policy advice and supports market access for New Zealand products.

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, Innovation and Employment and The Treasury to inform our advice.

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.

There are three international standard setting organisations that are important for primary sector trade, and that have special status under the World Trade Organisation Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). The relevant international standard setting organisation which covers international food standards and food trade is Codex Alimentarius. Codex has scientific and technically orientated policies, standards and procedures for primary sector trade.

The SPS Agreement requires that countries utilise these international frameworks unless there is a justified risk-based reason not to. NZFS leads New Zealand's engagement in Codex Alimentarius for food production and safety standards and works to ensure international standards take account of

New Zealand circumstances without unnecessarily restricting trade.

New Zealand Food Safety

The NZFS 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.

NZFS is a large business unit with approximately 600 staff across its functions. However, the cost to the Government is relatively low as most operations are cost-recovered. Around 70 percent of the NZFS business unit's approximately \$107 million appropriation is recovered directly from food businesses for services such as issuing export certification and developing and monitoring food standards.

To develop effective regulatory controls on food, NZFS 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.

NZFS 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.

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 AsureQuality. The largest entity is the Verification Service within NZFS which comprises around 270 verifiers.

NZFS 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. The 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).

NZFS 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-focused 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. NZFS 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.

NZFS 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 businesses to manage the removal of unsafe food from sale by coordinating around 160 food recalls each year.

Food Safety During Adverse Weather Event Response and Recovery

Following the adverse weather events over January and February in the North Island, including Cyclone Gabrielle, NZFS supported consumers, retailers, growers, and producers with guidance and messaging for managing food safety risks from flood waters, harvesting flood affected produce and food safety in the home. NZFS continues to support recovery efforts by implementing the Severe Weather Emergency Legislation Act 2023. This Act supports weather-affected food businesses by providing temporary exemption from verification requirements, and temporary extension of renewal of registrations that expired during the severe weather event.

New Zealand Food Safety Advisory Board

NZFS established the New Zealand Food Safety Advisory Board (the 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.

The 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 NZFS, and issues relevant to the food safety system generally.

Changes to Food Safety Regulatory Requirements

Improvements to the food safety system include implementation of the Food Act 2014 and the Food Safety Law Reform Act 2018.

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.

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 came 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.

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Strategic Priorities to Support the New Zealand Food Safety System

Opportunities in the Domestic Food Safety System

Over 2022, an integrated Food Compliance and Response Directorate was established within NZFS. Its key priorities are to further develop emerging risk systems, publish a food safety response planning framework, and increase the capability of industry to undertake food recalls.

NZFS has refreshed its consumer food safety promotion programme to ensure that consumers are more equipped to make informed food choices and understand safe food preparation practices.

Modernising the Joint Food System

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.

The programme includes:

- a review of the operations of the joint Food Regulation System, including the Food Ministers Meeting, that New Zealand is co-leading; and
- 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

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

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

The food safety regulatory system links to broader food initiatives that enable producers and processors to gain value. Existing NZFS 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. The Organic Products and Production Act has recently received Royal Assent and regulations to support its implementation are being developed. The Minister of Agriculture has responsibility for the organic sector. 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.

Appendix 1: Key Work Programmes

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

Future of Certification (Budget 2022)

NZFS is working to upgrade the certification system to enable New Zealand to trade more effectively and flexibly with new and existing trading partners. The preferred supplier was agreed in December 2022. The Treasury Gateway Review 3 (Investment Decision) has been successfully completed and the programme has been given an Amber/Green rating. The delivery phase began earlier this year with the commencement 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 newborn babies, Government decided to make mandatory the fortification of non-organic wheat flour. Currently New Zealand Flour Millers Association Incorporated are completing installation, training their staff and commissioning the systems needed to add folic acid to flour. We are supporting 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.

Strengthening and modernising the ACVM Regulatory System

The MPI Inspector General reviewed the Agricultural Compounds and Veterinary Medicines (ACVM) regulatory system between June 2021 and June 2022. While the system remains largely effective and fit-for-purpose, the review identified some social, economic, and 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.

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

NZFS is working to enhance activities to address antimicrobial resistance in the animal and food sectors. The first phase of the National Action Plan ran from August 2017-August 2022. The response to the Prime Minister's Chief Science Adviser's *Infectious disease and antimicrobial resistance* report is intended to inform the development of a refreshed Antimicrobial Resistance National Action Plan.

A refreshed National Action Plan will incorporate actions not completed in the first phase and recommendations made in the Prime Minister's Chief Science Advisor's Infectious Disease and Antimicrobial Resistance report, and is expected to be published before the end of 2023.

NZFS will consult with you about the new action plan, which is a joint undertaking with the Ministry of Health.

Regulation of Agricultural Inhibitors

Inhibitors are compounds that can be applied to animals or a place to inhibit the production of greenhouse gases or reduce nutrient leaching. The Government declared inhibitor substances to be agricultural compounds by Order in Council under the Agricultural Compounds and Veterinary Medicines Act 1997 in July 2022. This change enables NZFS to regulate inhibitor substances. 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 are developing guidance and support manufacturers and stakeholders to understand the requirements of registering inhibitors under the Agricultural Compounds and Veterinary Medicines Act. We will manage the operational aspects of the registration of inhibitors.

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