



Dairy Traceability Working Group's Terms of Reference

FINAL

Purpose

1. These Terms of Reference describe the purpose and functions of the Dairy Traceability Working Group, a working group appointed by the Director-General of the Ministry for Primary Industries (MPI).

Background

2. On 9 December 2013, Cabinet agreed to the following recommendation in the 2013 Government Inquiry into the Whey Protein Concentrate Contamination Incident¹ to '*convene a working group to consider the most appropriate regulatory provisions for traceability of dairy products, and a code of practice to guide industry in the implementation of the provisions*'.

Purpose and functions of the Dairy Traceability Working Group

3. New Zealand needs to ensure its dairy traceability regulatory requirements and systems are consistent with international best practice, cost-effective, technically feasible, and able to handle increasingly complex supply chains.
4. The objectives for a traceability system are that it can rapidly identify the location of food in the supply chain and enable an effective recall if unsafe, and support market access and supply chain assurance.
5. The Dairy Traceability Working Group will, as recommended in the Inquiry Report, undertake two key tasks:
 - a. First, consider the most appropriate regulatory provisions for traceability of dairy products, which, consistent with the scheme of the Animal Products Act 1999, should be outcome-based (that is, "what" must be achieved); and
 - b. Second, consider a code of practice or similar to guide industry in implementing the requirements (that is, "how" to achieve it).

¹ Report on New Zealand's Dairy Food Safety Regulatory System dated December 2013, available at www.dia.govt.nz/Government-Inquiry-into-Whey-Protein-Concentrate-Contamination-Incident.

Reporting by the Dairy Traceability Working Group

6. The Dairy Traceability Working Group will, as recommended in the Inquiry Report, report to the Director-General as follows:
 - a. On 5(a) above, within six weeks of the terms of reference having been approved; and
 - b. On 5(b) above, within six months of the terms of reference having been approved.
7. In recognition of the possible interdependencies between the above two tasks, the report referred to in 6(a) above may, with the concurrence of the Director-General, be of an interim nature, with a final report being provided no later than three months after the terms of reference having been approved.

Membership and appointment

8. The Dairy Traceability Working Group will have members from across the industry (mainly dairy) and government who will have the following skill-sets:
 - a. an independent chair to provide leadership and who has the ability to engage with government and industry stakeholders;
 - b. an understanding of how dairy food supply chains work:
 - in the domestic market and international markets;
 - across the dairy/food industry, including large and small-scale commodity and ingredient processors and producers of speciality dairy products; and
 - in the infant formula sector;
 - c. an understanding of best practices worldwide for traceability at both regulatory and industry levels;
 - d. an understanding of New Zealand's regulatory framework for food production and traceability, e.g. the Animal Products Act and the Food Act; and
 - e. an understanding of the current and emerging international regulatory frameworks for food production and traceability, with particular attention to those of New Zealand's major trading partners.
9. The Director-General will to seek nominations from the following organisations for appointment as members of the Dairy Traceability Working Group:
 - i. One nominee from each of the following organisations:
 - a. the Food and Grocery Council
 - b. the New Zealand Retailers Association Incorporated
 - c. GS1 New Zealand Incorporated
 - d. a Dairy Companies Association of New Zealand (DCANZ) nominee to represent large-scale manufacturers
 - e. a DCANZ nominee to represent small-scale producers of retail-ready dairy products
 - f. the Infant Nutrition Council Incorporated

- g. the New Zealand Infant Formula Exporters' Association
 - ii. Two ex-officio members: MPI and AsureQuality (verifier) nominees
- 10. The ten members of the Working Group, including the Chair, will be appointed by the Director-General, at the Director-General's discretion.
- 11. The appointments will be subject to the following conditions:
 - a. The Chair's and members' terms will expire upon the delivery of all its reports, as specified in these terms of reference, to the Director-General.
 - b. The Director-General may appoint additional members to or replace current members of the Working Group if and when the skill mix required on the Working Group changes.
 - c. The Chair and members will serve at the pleasure of the Director-General and may be replaced at any time. The Director-General does not have to provide a reason for removing the Chair or a member.
 - d. The Chair may choose one member from the Working Group to chair the proceedings of the Working Group during any period of the Chair's absence.

Fees and expenses

- 12. MPI will remunerate the Chair in accordance with the fees framework set out in Cabinet Office Circular CO (12) 6.

Meetings

- 13. The Dairy Traceability Working Group will determine frequency of its meetings after it has determined its work programme at its first meeting.

Expectations of Committee Members and the Chair

- 14. The Dairy Traceability Working Group members are expected to:
 - a. attend each Working Group meeting, unless extenuating circumstances provide otherwise;
 - b. prepare adequately prior to each meeting by reading all papers provided to them;
 - c. bring to the Working Group perspectives based on their experiences, interests and area of expertise, while ensuring that they do not act as representatives or advocates for particular systems, sectors or interests;
 - d. assist in drafting papers and reports of the Working Group; and
 - e. declare any conflict of interest, or potential conflicts of interest, that may arise.
- 15. The Chair is also expected to:
 - a. chair meetings;

- b. organise the agenda, with the assistance of the secretariat;
- c. determine what action is appropriate if a member has a potential conflict of interest;
- d. maintain an effective working relationship with the Director-General and update the Director-General regularly on progress made by the Working Group; and
- e. oversee the development of the Working Group's outputs.

Accountability and reporting

- 16. The Dairy Traceability Working Group is accountable to the Director-General of MPI for the quality and timeliness of its advice and reports.
- 17. The Chair will submit the Working Group's advice and reports to the Director-General after completion of each phase of its tasks.

Authority

- 18. The Dairy Traceability Working Group is a working group to make recommendations to the Director-General. It cannot direct MPI or the industry, employ staff, enter into contracts, or make commitments or undertakings on behalf of the Minister or the Director-General.
- 19. MPI will respond to reasonable requests from the Dairy Traceability Working Group for information, advice and resources relevant to its purpose and functions.
- 20. The Dairy Traceability Working Group's advice and reports to the Director-General belong to the Director-General. Subject to statutory and other legal obligations, control of and decision over the use of and distribution of those advice and reports rests with the Director-General.
- 21. All information created by the Dairy Traceability Working Group is subject to the Official Information Act 1982.
- 22. The Dairy Traceability Working Group's proceedings are intended to be free, frank and confidential. Any media comments on the Working Group's work will occur in accordance with MPI's media policies.

Approving the Dairy Traceability Working Group's terms of reference

- 23. The Dairy Traceability Working Group will consider a draft terms of reference provided by the Director-General at its first meeting and submit its comments on the draft to the Director-General within three weeks of its first meeting. The Director-General will consider the Working Group's comments and approve the final terms of reference within two weeks of receiving comments from the Working Group.
- 24. Later amendments to the approved terms of reference will be negotiated between the Chair of the Working Group and the Director-General.

Approving the Dairy Traceability Working Group's work programme and timelines

25. The Dairy Traceability Working Group will consider its work programme and timelines at its first meeting and submit these to the Director-General for approval within three weeks of its first meeting. The Director-General will consider the Working Group's work programme and timelines and approve them within two weeks of receiving them from the Working Group.
26. Later amendments to the approved work programme and timelines will be negotiated between the Chair of the Working Group and the Director-General.

Administrative support and funding

27. MPI will provide secretariat services to the Dairy Traceability Working Group, fund the Independent Chair, and provide information, advice and resources relevant to its purpose and functions.

Conflicts of interest

28. Members of the Dairy Traceability Working Group are expected to act in good faith and on a 'no surprises' basis.
29. The Dairy Traceability Working Group is likely to have access to confidential documents, both from the government and commercial entities. These are expected to be treated in confidence.
30. Members of the Dairy Traceability Working Group are expected to declare any potential conflicts of interest and undertake appropriate action to manage these. A conflict register will be maintained and updated regularly.