



NZIEH Conference

27.03.09

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New cars jam the dockside in the port of Valencia in Spain.





With many manufacturers on extended Christmas shutdown, the number of cars rolling off production lines in December fell 47.5% to just 53,823.

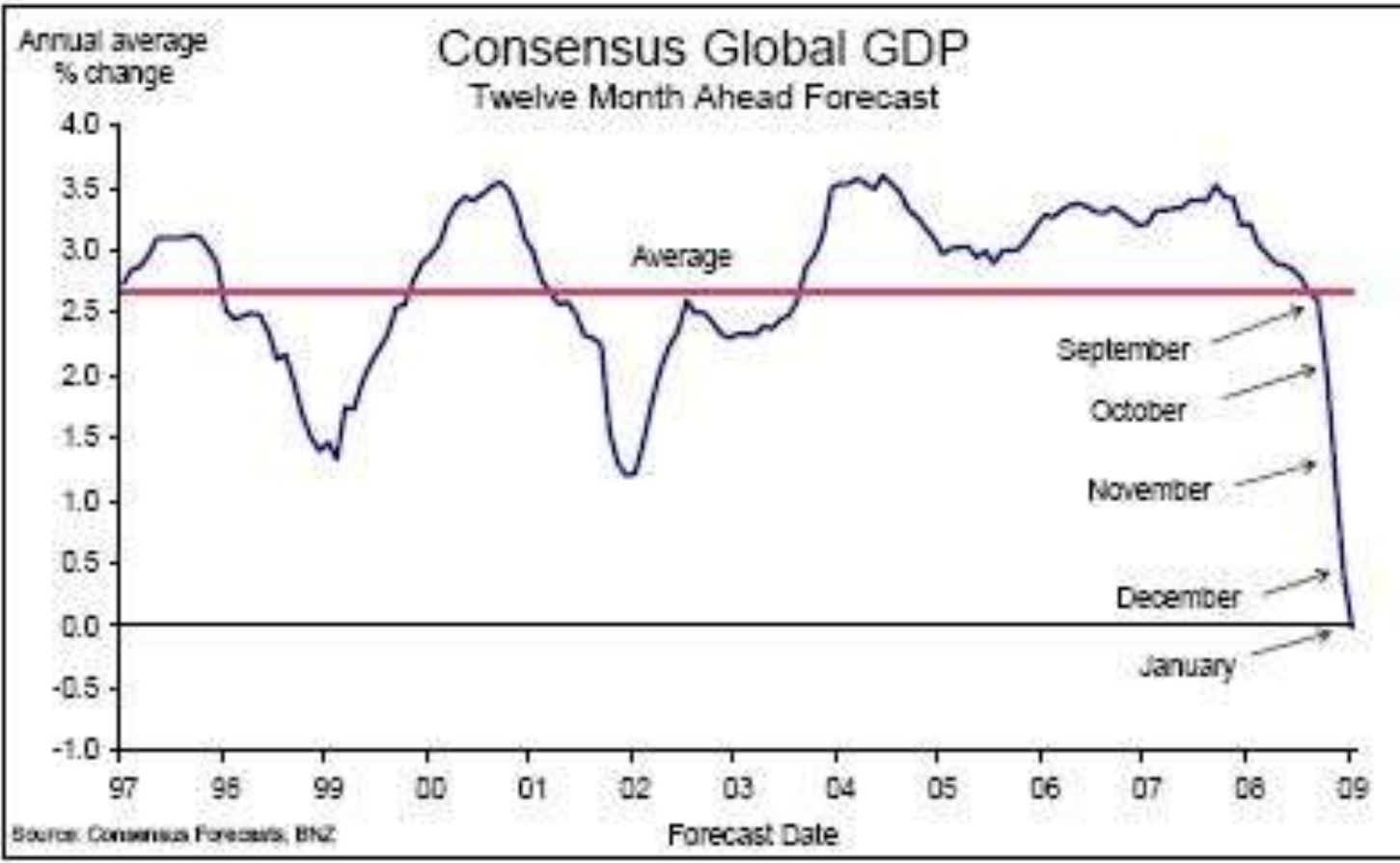
Thousands of new cars are stored on the runway at the disused Upper Heyford airbase near Bicester, Oxfordshire, on December 18, 2008.



Sales of new cars in the UK have slumped to a 12-year low. Production of Hondas in Swindon has been halted for a unprecedented four-month period because of the collapse in global sales. This represents the longest continuous halt in production at any UK car plant.

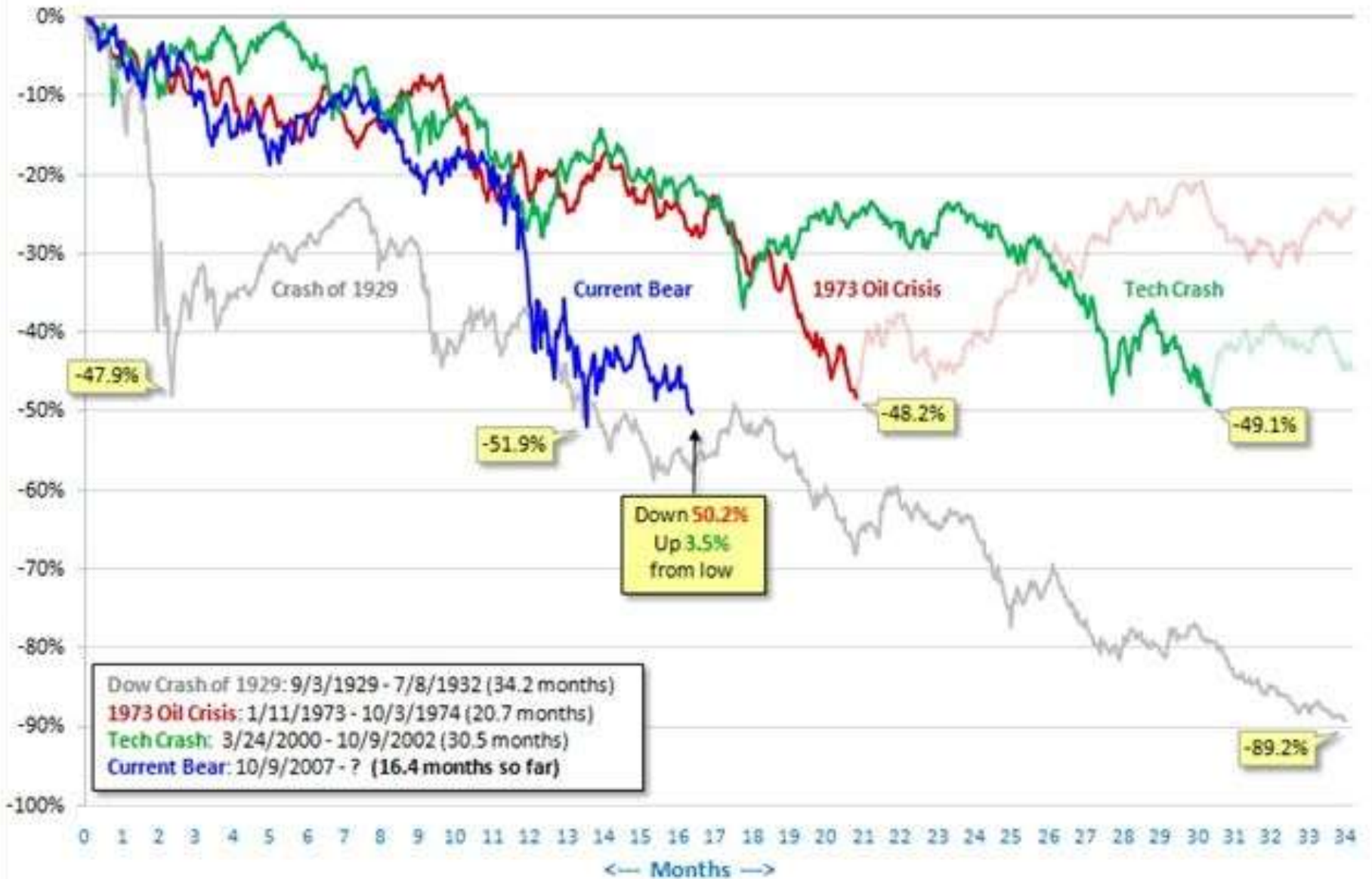


The announcement comes on a day when the EU's Industry Commissioner Günter Verheugen warned the outlook for the European car industry was “brutal” and predicted not all European manufacturers would survive the crisis....



Four Bad Bear Markets

Dow in 1929-1932; S&P 500 in 1973-74, 2000-02, 2007-09





Government policy (in this environment) as it affects us is driven by:



- Knowledge/assumption that recovery will be export lead
- Desire not to increase regulation and regulatory costs to business
- Need to extract \$\$\$\$ from government departments to fund their own policies and emergency pressures

Export lead:



- Base for our export programme is our domestic food regulatory programme. A failure domestically will affect trading partner countries views of New Zealand in terms of trust/integrity/high esteem and the 'clean/green' mantra
- Domestic legislative programme still locked in the last century with the inspection model
- Performance and risk based audit/verification model of industries own 'plan' is in legislative 'pipeline' and we have been innovative about voluntary implementation of these policies

We need to keep pursuing this course

Regulatory burden:



- New programme is adding value to business through the audit approach
- Costs are largely within their own control – performance based verification
- Same ‘fiscal lid’ – all we are doing is ensuring people take responsibility – they control their own destiny
- Programme designed to give ‘value for money’
- No apologies required

Puts accountability into the system in a governance sense
– lacking in the current environment

Next steps:

EHOs to continue to move in the new direction of FCPs, verification approach and partnerships. Emphasis on:



- Verification rather than inspection – practice your training
- Working with businesses – listen to them – make them believe in a better paradigm
- Encouraging businesses to come on board with and use OTP FCPs
- Looking for continued improvement – common sense – pragmatic – see the long term picture
- Providing NZFSA with feedback so we can ‘spread the learnings’
- Not fearing change or making mistakes/experimenting



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