



**Domestic Food Review – New Zealand Food Safety
Authority – Submission**

4 May 2006

Introduction

1. This submission is from the Tourism Industry Association of New Zealand (TIA), located at level 4, Travel and Tourism House, 79 Boulcott Street, Wellington.
2. Attached as Appendix 1 are details about our organisation and who we represent.
3. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, Policy Manager on 04 494 1842 or e-mail him at simon.wallace@tianza.org.nz. Should there be an opportunity, we would also be interested in making an oral presentation to support this submission.
4. TIA's submission comments on the New Zealand Food Safety Authority's (NZFSA) Domestic Food Review (DFR). The TIA has consulted widely with its members and other tourism industry groups to seek their views in the preparation of this submission. We have received feedback predominantly from bed and breakfast, home stay and farm stay operators as well as motels.
5. The paper below provides comment and analysis on the proposals and the extent to which we feel they may impact on our members. We then make some specific comments on relevant sections in the February 2006 Position Paper before concluding with a set of recommendations.
6. We recommend that this submission be read in conjunction with submissions the NZFSA will have received from the Hospitality Association of New Zealand (HANZ), the Motel Association of New Zealand (MANZ) and other hospitality organisations.

Comment and Analysis

7. As outlined in the NZFSA Position Paper, TIA is supportive of the overarching vision and objectives of the DFR relating to the need to protect consumers from food borne illnesses, ensuring trade and commerce in food and food-related products is facilitated, the need for individual responsibility in producing safe and suitable food and in keeping compliance costs and controls to a minimum.
8. TIA acknowledges that food safety laws and hygiene regulations have not been updated since the Food Act 1995 and is well aware that adverse publicity relating to food borne illnesses serves neither the interests of tourism businesses or consumers. We are concerned, however, that the portrayal by the NZFSA of New Zealand as a country with a high incidence of food borne illnesses, in comparison with other western countries, may be overstated given the lack of international data to support the claim. It should be noted that of the many thousands of bed and breakfast, farm stay and home stay operators in New Zealand, TIA is not aware of any formal complaints made against its members, for example;

“...Rural Holidays NZ Ltd has been in business since 1983 with (currently) around 500 properties listed and since the formation of the company there has never been a complaint about food safety or about cleanliness...”¹

9. The bed and breakfast, home stay and farm stay sectors are an integral part of the tourism industry in New Zealand. They provide a unique “Kiwi” experience for many overseas visitors who welcome the opportunity to meet New Zealanders in their own homes;

“...Hosts accept guests because of the social interaction and also, in most cases, because they are proud of New Zealand and what it has to offer the visitor...”²

This type of accommodation is growing in popularity not only with international guests, but increasingly more New Zealanders are looking for alternative holiday experiences and are finding a rural bed and breakfast or farm stay a new and refreshing option.

10. In 2005, TIA estimates that no less than 550,000 bed nights were provided by bed and breakfast, home stay and farm stay operators, a not inconsiderable contribution to the New Zealand economy.³ Critically, the bed and breakfast, home stay and farm stay visitors go on to spend their money in and around the regional and rural areas where they are staying. They eat at local cafes and restaurants, fuel up at the local service station and shop at craft stores and other cottage industries in the area.
11. The economic spin-off of the bed and breakfast and hosted accommodation sector should therefore not be underestimated in view of the valuable contribution it makes to regional economies. Anecdotal evidence suggests that the majority of providers make very small profits. They cover costs and break even. For many it is a labour of love and an aspect of the tourist experience that New Zealand can ill-afford to lose.
12. TIA believes that the DFR proposals should be mindful of this contribution and advocates that implementation should be sensitive not only to compliance costs but also to time factors created if an overly prescriptive system was to be introduced. If operators were to face excessive charges for food safety inspections, the business balance could be tipped and some may close their doors, limiting the availability of this unique New Zealand experience.
13. TIA is concerned that the DFR proposals may be targeting the wrong audience, while excluding some operators whose primary purpose is to serve food. For

¹ Lindsay Pearce, Rural Holidays NZ Ltd, Submission on the Domestic Food Review to the New Zealand Food Safety Authority, p.1.

² Lesley Fallon, Hospitality Plus, Submission on the Domestic Food Review to the New Zealand Food Safety Authority, p.1.

³ Commercial Accommodation Monitor, 2005.

example, we understand the proposals exclude schools, charitable organisations (the popular “sausage sizzle” outside The Warehouse), child care centres and hospitals. For reasons of equity, TIA is concerned about the many operators, be they tourism-focused or not, that may be excluded from these proposals because they are either not listed on web-sites or directories, may not be GST registered or simply rent a room or bedroom out on an ‘ad hoc’ or irregular basis.

14. A salient point that will be commented on later in this submission concerns the strict food hygiene and preparation regulations that many of our members already meet as a pre-requisite for licensing by New Zealand tourism’s official quality assurance agency Qualmark, or through membership to sector organisations, such as @home NEW ZEALAND. TIA suggests that the NZFSA should consider working with and alongside Qualmark and @home NEW ZEALAND to ensure compatibility with the new DFR proposals.

Specific Comments

Section 4 – Regulatory Roles, Responsibilities and Structures

15. As noted previously, many farm stays, home stays and bed and breakfast operators in New Zealand are already subject to regular inspections either by local Councils and Territorial Authorities or by organisations, such as Qualmark, @home NEW ZEALAND, Hospitality Plus and the Bed and Breakfast Book. Qualmark, for example, has minimum requirements for food and kitchen hygiene relating to fixtures and fittings, refrigerators, meal preparation areas and general safety. In addition, other food, kitchen and cleaning practices are checked and star ratings awarded accordingly. Meanwhile @home NEW ZEALAND operators are subjected to biennial assessments that include inspection of kitchens and food preparation areas. TIA is therefore concerned that further checks or inspections should not duplicate current practice or impinge on the capacity of small businesses to do the job.
16. TIA re-iterates its earlier statement in encouraging the NZFSA to be mindful of keeping compliance costs to a minimum. At the same time, it is keen that current inequities regarding compliance by individual Councils and Territorial Authorities are not repeated in the adoption of the new proposals. Our members report that in some regions local or regional Councils carry out regular food safety inspections, but in other areas, Councils have ceased this practice.
17. As the inspection process is uneven across the country, in order for these proposals to work, it is essential that tourism operators have clear instructions as to the roles and responsibilities of Territorial Authorities, Public Health Units and the NZFSA. As an example, the @home NEW ZEALAND Association, itself representing more than 800 members, has advised TIA that Councils are inconsistent in how they monitor the guest and hosted sector of the accommodation industry. Councils in some areas are only interested in monitoring operators who accommodate more than five guests, while in other areas home owners take in guests on a ‘casual’ basis and are not monitored at all. @home NEW ZEALAND does not approve of these casual operators and TIA is concerned that such operators will fall beneath the radar of the DFR.

Section 5 – Food Control Plans and Food Handler Guidance

18. TIA acknowledges the need for robust Food Control Plans (FCP) and supports the principles outlined in the Position Paper. It believes an FCP will be an appropriate food safety requirement for many of the larger players in the tourism industry, such as hotels and convention centres who already comply with high quality food safety standards.
19. For the vast majority of tourism businesses, however, the Guidance category is most suitable. For example, TIA believes that bed and breakfast, home stay and farm stay operators should legitimately sit under the Guidance (FHG) category. As the Position paper outlines, the FHG category is suitable for very small food selling operations that serve or sell food to a small number of people, are at the lower end of the food safety risk scale and operate in an irregular or minimal way – this is generally characteristic of the TIA members in these sectors.⁴
20. To fall under this category, NZFSA will need to reconsider its definition of “minimal as less than 10 day per annum at any location having no storage of food on site of the event between days of operation”⁵ While some small bed and breakfast and home stay operators, have just a few visitors a year, most will have visitors for more than ten bed nights annually.
21. TIA supports an FHG programme that will provide clear, concise and easy to follow guidelines regarding food safety management. It is essential that plans and/or templates are simple to complete and time saving, otherwise some businesses will simply be put off by onerous compliance and not bother at all.

Section 6 – Implementation of Food Control Plans and Food Handler Guidance

22. TIA has some concerns that if responsibility for implementing the FHG category rests with Territorial Authorities, information dissemination may not be nationally consistent. While FHG plans are to be posted on the NZFSA website, TIA asks that the NZFSA consider other modes of communicating guidance, as some very small tourism operators, particularly those in rural areas, have only limited internet access and a few have no access at all.
23. TIA does not regard Food Control Plans (FCP) as either appropriate or suitable for the majority of TIA businesses, but re-iterates that whatever plans are adopted should take account of cost implications, both in time and money.

Section 8 – Education and Training

24. TIA supports the education and training components of the DFR proposals from two perspectives. Firstly, we believe appropriately scheduled courses, run outside of the peak tourist season that are relevant, affordable and meet international best practice could benefit our members. Secondly, TIA believes

⁴ Domestic Food Review Position paper, p.20.

⁵ *ibid*, p.21.

that public education campaigns funded by central government informing not only food providers, but also consumers of basic food safety principles, are essential.

25. It is the view of TIA that the NZFSA should collaborate and work alongside organisations such as Qualmark and other parent organisations which already co-ordinate and run food safety courses for members that meet already high quality standards.
26. While we envisage that training and education programmes may be less rigorous under an FHG regime, TIA believes that training courses should not only cover Good Operating Practice (GOP) but should also meet international best practice.
27. The Position Paper is silent on the costs of training courses and who will meet the costs. Clarification is sought by TIA as to how the cost of training courses will be charged and apportioned. It is our view that NZFSA should subsidise the costs of training courses for businesses and their employees.

Section 9 – Cost Recovery

28. With regard to cost recovery, TIA believes the Position Paper lacks specificity – it is silent on the costs that may be borne by individuals, as well as how compliance will be enforced. While TIA understands that much of this detail is still to be resolved, it encourages the NZFSA to work more collaboratively with local Councils and Territorial Authorities to establish a common criteria. It is also concerned that failure to adequately resource local government for the functions proposed under the DFR will not result in a “level playing field” – some Councils will enforce the regulations and others will simply lack the resource to do so.
29. There is considerable disquiet amongst our members as to what the actual costs of compliance will be and the NZFSA has been unable to allay the concern of interested parties on this matter. In information presented earlier in the year at regional forums, the NZFSA estimated current fees for food inspection and verification ranged anywhere from \$25 to nearly \$2000. This gives our members no certainty in their forward planning and propels the myth that compliance costs may put people out of business. TIA seeks assurances from the NZFSA on likely compliance costs and believes it is unfair to progress such a comprehensive plan without sufficient acknowledgement as to the financial impacts on people whose lives depend on the small businesses they run.

Section 11 – Compliance

30. TIA supports the general approach to compliance and sanctions as outlined in the Position Paper. We urge the NZFSA to work with Councils, Territorial Authorities, Public Health Units and businesses themselves during the implementation phase. In particular, we cite the example of the Smoke-free Environments Amendment Bill and the manner in which the Ministry of Health and Public Health units worked with the hospitality industry in helping them meet the requirements of the new law.

31. Deliberate flouting of the law should result in prosecution, but most businesses actively seek to comply with government regulations and occasional instances of accidental or unintentional non-compliance are best met with support and assistance to meet new legislative criteria.
32. A further point in this section relates to a “level playing field” noted previously in this paper. In submissions to TIA, some members have noted that “casual”, unlisted or unregistered operators are likely to go unnoticed by regulators. Such operators are likely to be hard to track down and may therefore not be subject to the DFR proposals.

Conclusion

33. TIA acknowledges that food safety laws require updating, although it questions the emphasis placed on the high reported incidence of food borne illnesses in New Zealand. It remains concerned that the introduction of an onerous or overly prescriptive regulatory system could jeopardise the viability and sustainability of many small tourism businesses, especially those in the bed and breakfast, home stay and farm stay sectors, which play a critical role in the visitor experience. On the face of it, the FHG plans appear more suited to the many smaller businesses within the tourism industry. However, it is still difficult, to grasp exactly how they will impact on business and the costs of compliance both in time and money are unclear. Qualmark, @home NEW ZEALAND and other representative organisations in the tourism industry already have food safety regimes in place and we encourage NZFSA to work with them in implementing these plans. TIA welcomes the opportunity to work on an ongoing basis with the NZFSA as the DFR proposals develop.

Recommendations

34. TIA recommends that the NZFSA:
 - i. **note** the valuable contribution made by all TIA members to the tourism industry and economy of New Zealand, in particular the many small businesses and cottage industries,
 - ii. **note** the need to keep compliance regulations to a minimum, especially financial costs and time consuming administrative processes;
 - iii. **note** that some sectors of the tourism industry, for example, hotels and convention centres, already meet high food safety standards;
 - iv. **note** that an FHG programme may be best suited for the majority of tourism-related operators, for example, the small businesses in the home hosting sector, such as bed and breakfast, home stay and farm stay operators; and
 - v. **work** with Qualmark, as the tourism industry’s quality assurance agency and other tourism representative bodies who already have quality food safety standards in place.

Appendix 1

Background Information on the Tourism Industry Association of New Zealand (TIA)

1. The Tourism Industry Association New Zealand (TIA) advocates for the interests of the tourism industry in New Zealand. The businesses we represent generate more than 85% of New Zealand's tourism-related revenue.
2. Tourism is a \$17.2 billion industry (\$7.4b from international and \$9.8 from domestic tourism) with international tourist expenditure accounting for 18.5% of New Zealand's total export earnings.⁶ The industry, directly and indirectly, employs 1 in 10 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. Not only is tourism important because of its size, representing 9.4% of New Zealand's GDP, it is:
 - Highly employment intensive;
 - Regionally disparate; and
 - Very diverse - ranging from large stock exchange listed companies to small cottage industries.
3. These businesses cover a range of tourism-related activities – hospitality, transport, adventure and activities, attractions and retail and related tourism services. In many cases, regional tourism businesses have developed around regional assets divested by other industries and have revitalised those assets and the communities that depend on them.
4. The tourism industry in New Zealand consists of more than 8,000 small and medium sized businesses. Of these businesses, most employ less than five people.
5. New Zealand welcomes more than two million overseas visitors to its shores every year. The domestic tourism industry is also important in helping to sustain a vibrant tourism industry. TIA estimates that over 75 million visitor nights are spent by New Zealanders every year.

⁶ “Key Tourism Statistics – March 2006”, Ministry of Tourism website