

**Notice of Direction under Section 57(1) of the Wine Act 2003
(Exercise of verification functions and activities under the Wine Act 2003)**

I, Carol Barnao, issue the following direction pursuant to section 57(1) of the Wine Act 2003:

1 Application

- 1.1 This notice of direction applies to agencies and persons recognised to perform verification functions and activities under the Wine Act 2003.

2 Background

- 2.1 In addition to this notice of direction, legal and operational requirements for performing verification under the Wine Act are contained in the following:
- a. Wine (Recognised Agencies and Persons) Notice 2007;
 - b. Conditions attached to the Notice of Recognition; and
 - c. Guidance material for Wine Act verifiers.
- 2.2 These directions supplement the Wine (Recognised Agencies and Persons) Notice and recognition conditions by requiring the application of performance-based verification, start up meetings with new businesses, corrective action requests and the conveyance of information to the operator in relation to verification.
- 2.3 Any term or expression that is defined in the Wine Act 2003 or regulations made under that Act, or in the Wine (Recognised Agencies and Persons) Notice 2007, and used in these directions has the same meaning as in the Act, regulations or notice.

DIRECTIONS

3 Start up meeting

- 3.1 Prior to commencing verification of a new business, the recognised agency must ensure that the following information is conveyed to the operator by a means that enables future reference:
- a. The responsibilities and duties of recognised agencies and verifiers;
 - b. The rights of verifiers and the powers of wine officers; and
 - c. The operator's responsibilities and duties.
- 3.2 A business is 'new' when it commences operations for the first time or when it registers a wine standards management plan or when it exports wine for the first time.

4 Corrective action requests

- 4.1 Where the verifier detects non-compliances that the operator has failed to identify or effectively address, the verifier must request that the operator undertake corrective action.
- 4.2 The verifier must confirm with the operator that the corrective actions have been addressed within an agreed period of time.

5 Outcome of visit

- 5.1 On completion of a verification visit, the verifier must inform the operator verbally of any deficiencies found during the verification visit, the likely outcome of the verification visit, any consequential change to the verification frequency, and when the next verification visit will be undertaken.

6 Operator right of review

- 6.1 Where a verification visit is assigned an unacceptable outcome, the verifier must inform the operator of their right to request, within 21 days of the verification visit, that the Director-General review the verifier's decision.

7 Performance-based verification

- 7.1 The recognised agency must apply performance-based verification as outlined in 7.6.

7.2 The recognised agency must apply performance-based verification to each business operating under a multi-business wine standards management plan as if that business were subject to an individual plan.

7.3 Despite 7.1 and 7.2, wine businesses that make wine for export are restricted to verification at level 1.

First verification

7.4 If the first verification is assigned an acceptable outcome, the starting verification frequency is level 1.

7.5 If the first verification is assigned an unacceptable outcome, all corrective actions must be completed satisfactorily, and the verifier must have confidence in the ability of the operator to meet the relevant regulatory requirements, before applying the starting verification frequency of level 1.

Verification frequency

7.6 Verification frequency must be applied in accordance with the following table unless directed otherwise by the Director-General:

Verification level	Verification frequency
Level 1	Every year
Level 2	Every two years
Level 3	Every three years

Change in verification frequency

7.7 Increases in the verification frequency are structured in the following table:

Verification level	Number of consecutive acceptable outcomes required to move to a higher level
1	2 (move to level 2)
2	2 (move to level 3)

7.8 Where verification is assigned an unacceptable outcome, the verifier must determine which verification level is most appropriate. This is in addition to any corrective action requests and reporting requirements.

Signed at Wellington this 12th day of October 2007

SIGNED

Carol Barnao
Director (Standards)
(Acting under delegated authority)

Certification in order for signature

SIGNED

Solicitor
Legal Services

9 / 10 / 2007