

Future Funding of Biosecurity Services: summary of submissions

21 February 2005

I Background

The Ministry of Agriculture and Forestry (MAF) Biosecurity New Zealand discussion document *Future Funding of Biosecurity Services* was released in December 2004 for consultation with affected and interested parties. This discussion document presented the findings of MAF's review of current funding arrangements for the biosecurity services of the four main central government biosecurity agencies (MAF, Department of Conservation, Ministry of Fisheries and Ministry of Health).

The review developed a detailed template for assessing the appropriateness of funding options. Application of this template found the Crown to remain the most appropriate funder of most biosecurity services, largely due to the public good nature of many. It did, however, identify a number of areas where greater industry funding contributions – accompanied by greater industry involvement in decision-making and management – would seem appropriate. These include import health standard provision and surveillance programmes and incursion responses targeting pests and diseases of industry concern. It also identified a number of areas where existing cost-recovery regimes need to be implemented more rigorously to avoid over- or under-recovery (e.g. cargo clearances and export certification).

II Submissions

Eighteen submissions were received on behalf of the following organisations:

- New Zealand Association of Shipping Agents;
- Auckland Regional Public Health Service;
- New Zealand Biosecurity Institute;
- Carter Holt Harvey Forests;
- Environment Waikato;
- New Zealand Shippers' Council;
- Federated Farmers;
- Poultry Industry Association, Egg Producers Federation and Feed Manufacturers Association;
- Meat and Wool New Zealand;
- New Zealand Fresh Produce Importers Association;
- Meat Industry Association;
- Christchurch City Council;
- Pork Industry Board;
- Forest Owners Association;
- Fruitgrowers Federation, Vegetable and Potato Growers Federation and Berry Fruitgrowers Federation;
- Hawke's Bay Regional Council;
- Dairy Companies Association of New Zealand; and
- Board of Airline Representatives New Zealand.

The relatively small number of submissions reflects that the review did not recommend sweeping changes to existing biosecurity funding arrangements – in particular, finding the Crown to remain the most appropriate funder of most biosecurity services – and its findings were not expected to generate great concern.

III General comments

A summary of comments by submission and service is appended to this report.

Common themes overall were:

- general endorsement of the need for the review and more rational, consistent, transparent and workable funding arrangements;
- general support for the review's intent, objectives and approach;
- some concern that the analytical approach does not adequately target those whose activities generate the risk and places too much emphasis on who could most easily be charged;
- need for flexibility for variety of circumstances;
- general support for many of the recommendations;
- widespread support for recommendations for continued Crown funding, although suggestion that this should be extended further, especially where potential for significant impacts on the national economy;
- call to acknowledge existing contributions to biosecurity by industry and other stakeholders through their own activities, including in-kind involvement in Crown activities, and that this be taken into account in determining cost shares;
- support for greater industry input into or influence of decisions, such as on priorities, levels of service provision and performance standards;
- concern about level of charges where the Crown is the sole service provider – need for measures to ensure cost-efficiency and that charges reflect actual costs;
- recommendation of industry involvement in designing systems;
- recognition that the recommendations are high-level at this stage and further work and consultation is required on charging mechanisms and levels of charges before implementation;
- concern that the proposed timeframes for implementation are insufficient.

IV Comments on policy proposals for each service

Common themes by service were as follows.

- Policy advice, publicly funded research and law enforcement programmes:
 - support for continued Crown funding;
 - opposition to using fines revenue to fund other biosecurity services – concern that this may generate inappropriate incentives;
 - call for recognition of non-Crown contributions, including in-kind.
- International standard setting and market access work:
 - support for continued Crown funding of plurilateral and multilateral work;
 - some support for, some opposition to industry contributions to funding market access work;
 - need for consistency across industries

- need for industry involvement in determining priorities and industry opportunity to influence methods, efficiency and therefore costs of activities;
 - some concern about managing intellectual property;
 - some questions about practicalities of implementation.
- Export accreditation and official assurances:
 - support for cost-recovery;
 - need for measures to ensure cost-efficiency and that charges reflect actual costs;
 - some questions over apportionment of overhead costs;
 - recommendation of industry involvement in designing charging system;
 - some concern about proposed speed of implementation.
 - Laboratory diagnostic work:
 - support for continued Crown funding of identification of suspected new pests and diseases;
 - support for cost-recovery for export testing, including for country or area freedom;
 - recommendation of Crown funding of testing to comply with obligations under international agreements;
 - need for measures to ensure cost-efficiency and that charges reflect actual costs;
 - recommendation of industry involvement in designing charging system.
 - Import health standards:
 - support for part Crown-part industry funding system;
 - some recommendation of cost-sharing being weighted more towards the Crown due to wider community benefits;
 - strong support for industry involvement in determining priorities in return for contributing funding;
 - some concerns about exporters to New Zealand having greater access to funding for urgent development work or circumventing cost-recovery system;
 - call for consistency in approach between import health standards and export market access work;
 - need for measures to ensure cost-efficiency and that charges reflect actual costs;
 - some concerns about appropriate mechanisms for imposing levy;
 - need for flexibility in cost-recovery formula and funding mechanism to ensure charges reflect actual costs and easy correction of under or over-recovery;
 - recommendation of industry involvement in designing system;
 - further feedback reserved until see more detailed proposals.
 - Border inspection and transitional/containment facility standards:
 - support for continued Crown funding.
 - Border inspection services:
 - support for Crown funding for mail clearances;
 - support for cost-recovery for cargo and container clearances;
 - some support for, some caution about and some opposition to cost-recovery for vessel clearances;
 - concern that passenger and aircraft clearances, which are being addressed separately, should follow consistent funding principles;
 - some recommendation of Crown funding for cargo, container and vessel clearances, for consistency and equity with Crown funding of passenger clearances under the primary beneficiary approach with the primary beneficiary being the New Zealand public;

- call for consistency in approach between import inspection and export assurance.
- Transitional and containment facility services:
 - support for continued user charging;
 - need for measures to ensure cost-efficiency and that charges reflect actual costs;
 - need for private sector provision of transitional facilities.
- Diagnostic testing for border interceptions on imports:
 - support for proposed cost-sharing split;
 - some recommendation of reduced/partial charging where importer has taken all reasonable steps to reduce exposure or where only partial or incomplete identification is provided;
 - need for measures to ensure cost-efficiency and that charges reflect actual costs;
 - recommendation of industry involvement in designing system;
 - need for review of fundamental purpose and current procedures for border diagnostics;
 - need for private sector provision of border diagnostics services.
- Surveillance programmes:
 - support for continued Crown funding for public health and/or environmental purposes;
 - strong recommendation that Crown funding should extend to where there is potential for significant impacts on the national economy;
 - recommendation that Crown funding should extend to surveillance programmes for early detection;
 - some recommendation that Crown funding should extend to surveillance programmes to meet requirements of international agreements;
 - some support for and some opposition to cost-recovery from industry;
 - some recommendation that should charge those who generate the risk or benefit from the activity that generates the risk (importers and travellers);
 - support for surveillance for incursion response or pest management being funded in the same way as the associated response or programme;
 - need for considerable further work and consultation before implementation.
- Incursion response programmes:
 - support for Crown funding for public health and/or environmental purposes;
 - recommendation that Crown funding should extend to where there is potential for significant impacts on the national economy;
 - some support for and some opposition to cost-recovery from industry;
 - need for considerable further work and consultation before implementation.
- Pest management programmes:
 - support;
 - recommendation that Crown funding or a Crown contribution should extend to where there is potential for significant impacts on the national economy;
 - call for MAF to increase its capability and provide greater guidance and assistance;
 - need for considerable further work and consultation before implementation.
- Timeframes for implementation:
 - strong concern that the proposed timeframes are insufficient for adequate consultation on charging mechanisms and levels of charges, establishing charging mechanisms and charge payers to plan their budgets.

- Funding assessment template:
 - support for the funding template – its approach and questions – and view that it provides an improvement over the previous approach;
 - concern that it is focused too much on identifying private sector funders and insufficiently on the role of the Crown;
 - some concern that it does not adequately target those whose activities generate the risk and places too much emphasis on who could most easily be charged;
 - opposition to it being applied too restrictively – needs to be flexible for variety of circumstances;
 - some question of how well it would cope with more complex problems, involving many uncertainties;
 - need to simplify the language for clarity and common understanding;
 - need for examples of its application to assist comprehension.

Submission	1	
Organisation	New Zealand Association of Shipping Agents	
General comments	Comments limited to vessel clearances.	
Comments by service	Border inspection services	Notes Dr Cullen's comment that the primary beneficiary of border protection is government. Asserts that costs of border inspection of vessels entering the country should be borne solely by the Crown. NZASA members will not accept cost-recovery. Questions whether there are any operations with poor compliance records.

Submission	2	
Organisation	Auckland Regional Public Health Service	
General comments	Supports overall intent. Suggests define "public health and/or environmental benefit".	
Comments by service	Policy advice, publicly funded research and law enforcement	Suggests that the document define the relationships between the public health organisations.
	Border inspection and transitional/containment facility standards	Suggests that there may be need for a uniform response at all ports for identification of exotic mosquitoes.
	Border inspection services	Supports principle of cost-recovery, but notes that may not be possible under WHO international health regulations.
	Diagnostic testing for border interceptions on imports	Recommends that, to enhance service delivery, MAF should contract MoH to provide exotic mosquito identification.
	Surveillance programmes	Recommends defining "public health".
	Incursion response	Supports. Suggests that MAF enhance its proactive stance in identification and eradication of small container mosquito interceptions at ports.
	Funding template	Contends that there are only four possible parties to charge: shipping companies, importers, shipping agents and port authorities.

Submission	3	
Organisation	New Zealand Biosecurity Institute	
General comments	Considers recommendations to be fair and reasonable.	

Submission		4
Organisation		Carter Holt Harvey Forests
General comments		Supports general themes of greater efficiency and consistency and exacerbator pays. Highlights difficulties of beneficiary pays.
Comments by service	Surveillance programmes	Highlights that commitment to the Kyoto Protocol obliges Crown to monitor forest pests and ecosystems to assist in monitoring carbon losses. Considers surveys undertaken as part of incursion responses should be funded by the funder of the incursion response. Notes that whilst forest industry has provided surveillance at its own cost for past 10 years, MAF has not provided any official certification, not any formal recognition of the forest industry survey - hopes MAF can improve this.
	Incursion response	Generally agrees. Suggests central govt should manage and provide financial assistance for responses to major incursions in major industries, given the contribution of these industries to the economy.
	Pest management programmes	Generally agrees. Notes need for MAF to increase its allocation of resources to work in pest management area.

Submission		5
Organisation		Environment Waikato
General comments		Comments limited to regional govt interests.
Comments by service	Surveillance programmes	Supports approach. Recommends that the Crown should regard high-risk site surveillance as part of border control within the funding mechanisms and priorities for that service. Recommends that the Crown apply the template to all aspects of forest biosecurity. Recommends that the Crown provide some lead as to how funding consistency can be achieved between surveillance programmes run by the Crown and by regional govt and other organisations.
	Incursion response	Recommends that the Crown should provide some lead as to how direct and indirect regional contributions to incursion response are to be funded and whether the Crown or regions are to provide funding.
	Pest management programmes	Recommends that MAF lead an initiative to determine how the new approach can assist in formulating, reviewing and funding RPMSs consistently across all regions. Recommends that MAF lead an initiative to determine where regional council biosecurity services intersect with, bound on, or coincide with those carried out by other organisations or the Crown.
	Funding template	Supports. Notes that the template can potentially assist in the type of analyses and determinations that will be relevant to a review of the current RPMS and may also lead to consistent approaches in all regions. Notes that the Biosecurity Act may require amendment of the funding principles and MAF may need to take care and study the Local Govt Act funding principles to ensure there is not inconsistency.

Submission		6
Organisation		New Zealand Shippers' Council
General comments		Supports many of the recommendations, but highlights that these are very high level at this stage, requiring further work and consultation on details of charging regime. Supports approach, but reserves agreement to new fees and charges until financial impact of changes is considered. Notes important to recognise that companies and producers also make a huge contribution to protect their own continuing business aspirations.
Comments by service	Policy advice, publicly funded research and law enforcement	Supports.
	International standard setting and market access work	Supports. Highlights that principle of industry funding of bilateral market access work must be applied consistently across all industries and all relevant industries involved in priority setting. Supports existing policy of seeking voluntary contribution from exporters.
	Export accreditation and official assurances	Highlights importance that fees are consistent and flexible to enable contributions from as many beneficiaries as possible. Recommends that provision of export accreditation services be open to competition where possible.
	Laboratory diagnostic work	Supports. Hopes admin charges are not large.
	Import health standards	Requests that funding arrangements are flexible enough for joint financial contributions where both private and public good.
	Border inspection and transitional/containment facility standards	Recommends that the costs of monitoring compliance be recovered through MQS charges to its customers.
	Border inspection services	Supports recommendations on cargo and container clearances. Notes need to manage surpluses/deficits. Reserves comments on vessel clearances until consulted on revised vessel clearance standard, but endorses risk-based approach. Requests including yachts and other smaller vessels in a charging regime.
	Transitional and containment facilities services	Supports.
	Diagnostic testing for border interceptions on imports	Supports, where clear that importer has not taken all reasonable steps to reduce their exposure to such fees.
	Surveillance programmes	Supports Crown funding for surveillance programmes for public health, conservation, environment and general marine purposes. Contends that surveillance programmes for early detection should also be Crown funded, as may be the result of a breakdown in some part of the biosecurity system.

	Incursion response	Agrees that work on response standards, initial incursion investigation and responses and most contingent response capability is best funded by the Crown. Disagrees that the Crown is well-placed to decide on the level of service appropriate. Submits that this is another area for a partnership approach with industry.
	Pest management programmes	Agrees. Notes that where benefits are concentrated in a specific industry with many participants, a voluntary agreement or a compulsory industry levy might be required to avoid free-rider problems. Notes that a case can be argued for the Crown to fund a national biological control programme in recognition that uncontrolled introductions are creating the need (e.g. plant pests).
	Timeframes	Considers that trying to implement changes by June 2005 is unreasonable and impracticable. Need further work and consultation on details of charging regime. Exporters and producers need to know and be able to budget for charges in advance.
	Funding template	Needs to be flexible for variety of circumstances

Submission	7	
Organisation	Federated Farmers	
General comments	Strongly supports conclusion that the Crown remains the most appropriate funder of many services due to public good component. Highlights that private sector already contributes to biosecurity through many programmes, including some that don't involve government, and this, including in-kind contributions, should be recognised, quantified if possible and taken into account in future funding arrangements. Suggests that new funding template appears likely to expose exacerbators and beneficiaries to greater levels of cost-recovery and there are several areas where recommendations could impose additional costs on imported and exporters, which would affect farmers indirectly. Recommends the adoption of cost-recovery provision in the Biosecurity Act (specifically inclusion of key principles) consistent with those in the Animal Products Act and Wine Act.	
Comments by service	Policy advice, publicly funded research and law enforcement	Agrees with continued Crown funding. Disagrees with using fines revenue to offset the total cost of Crown spending on biosecurity - important to keep funds obtained from fines separate to avoid the risk of inappropriate incentives.
	International standard setting and market access work	Agrees. Suggests should include standard setting undertaken by Standards New Zealand. Supports this approach if possible to define the "industry group" clearly. Notes that voluntary contributions may be passed on to others as costs and calls for a mechanism to involve in decision making those who ultimately bear the costs. Questions how priorities would be set and suggests in terms of economic importance to New Zealand.
	Export accreditation and official assurances	Agrees, but requires checks and balances to ensure cost-efficiency. Recommends industry involvement in designing system.
	Laboratory diagnostic work	Agrees, but requires checks and balances to ensure cost-efficiency. Recommends industry involvement in designing system.
	Import health standards	Agrees, but requires checks and balances to ensure cost-efficiency. Recommends industry involvement in designing system.
	Border inspection and transitional/containment facility standards	Agrees.

	Border inspection services	Agrees. Agrees with caution on vessel clearance cost-recovery and notes that this may lead to additional costs for exporters.
	Transitional and containment facilities services	Agrees, subject to working with industry to minimise costs and encourage the provision of private transitional facilities.
	Diagnostic testing for border interceptions on imports	Agrees, but requires checks and balances to ensure cost-efficiency. Recommends industry involvement in designing system.
	Surveillance programmes	Supports Crown funding for surveillance programmes for public health, conservation, environment and general marine purposes. Opposes cost-recovery for surveillance programmes of direct benefit to industry. Considers Crown funding also appropriate for surveillance programmes of significant economic benefit to New Zealand. Considers surveillance to be an integral part of border control and only the Crown to be in a position to deliver a comprehensive surveillance package. Highlights potential economies in integrated/co-ordinated programmes that cover a range of organisms. Highlights that future beneficiaries cannot represent themselves in current decision-making.
	Incursion response	Strongly supports Crown funding for any incursion response programme of significant economic, environmental or public health benefit to all New Zealanders. Opposes cost-recovery for incursion responses (and surveillance) on grounds that: benefits should not be defined narrowly with regard to primary producers alone, but in terms of benefits to New Zealand as a whole; better organised industries, with a more established funding base, are more likely to be targeted, and smaller, less well-organised industries more likely to free-ride, which is inequitable; effects of an incursion may be widespread across a number of industries, which may not be able to agree on a response and apportionment of costs, which could impede rapid response. Supports further work on partial contribution from industry groups, where beneficiary is clearly identified and defined and well-organised and not subsidising less-organised groups of beneficiaries. Highlights need to take into account industry in-kind contribution.
	Pest management programmes	Agrees, but recommends should include Crown funding for pest management programmes that are of significant benefit to national economy. Supports exploring, but with caution, prospects to introduce levy to recover strategy development transition funding.

Submission	8						
Organisation	Poultry Industry Association, Egg Producers Federation, Feed Manufacturers Association						
General comments	General agreement with and support for objectives and proposals.						
Comments by service	<table border="1"> <tr> <td>International standard setting and market access work</td> <td>Highlights that use of the Commodities Levy Act to obtain industry contribution may be difficult where only a small number of industry organisation members are exporters.</td> </tr> <tr> <td>Import health standards</td> <td>Reserves submission on proposed funding arrangements until see details in IHS discussion document.</td> </tr> <tr> <td>Surveillance programmes</td> <td>Generally supportive (poultry industry is a leader in undertaking and funding its own industry surveillance and provides model for other agricultural sectors). Considers that further analysis is required before a detailed response can be made.</td> </tr> </table>	International standard setting and market access work	Highlights that use of the Commodities Levy Act to obtain industry contribution may be difficult where only a small number of industry organisation members are exporters.	Import health standards	Reserves submission on proposed funding arrangements until see details in IHS discussion document.	Surveillance programmes	Generally supportive (poultry industry is a leader in undertaking and funding its own industry surveillance and provides model for other agricultural sectors). Considers that further analysis is required before a detailed response can be made.
International standard setting and market access work	Highlights that use of the Commodities Levy Act to obtain industry contribution may be difficult where only a small number of industry organisation members are exporters.						
Import health standards	Reserves submission on proposed funding arrangements until see details in IHS discussion document.						
Surveillance programmes	Generally supportive (poultry industry is a leader in undertaking and funding its own industry surveillance and provides model for other agricultural sectors). Considers that further analysis is required before a detailed response can be made.						

Submission	9	
Organisation	Meat and Wool New Zealand	
General comments	<p>In many cases, agrees with the recommendations. Highlights several areas that seem to have received minimal consideration, such as potential economic impacts (significant and wide ranging impacts on the national economy) making activities a "public good" and whether it is possible to implement processes to allow non-Crown funders to ascertain the effectiveness of the services they are funding. Strongly suggests that these be further considered and consulted on before final recommendations are made to Cabinet. For areas identified as requiring further work and application of the funding template to future funding of activities (e.g. incursion response), suggests that no changes be made before robust consultation. Suggests that the Crown should be the funder of work required to meet obligations under international agreements entered into by the Crown. Requests release of information on the principles being used to review airport passenger clearance funding (being considered separately), to ensure consistency and transparency.</p> <p>Suggests that beneficiaries may have even less opportunity than exacerbators to influence level of risk. Questions ability of those charged to influence performance standards except through consultation process and calls for changes to funding arrangements only after a robust and transparent consultation process. Questions whether processes exist to allow any non-Crown funder to determine the true cost of government supplied biosecurity services.</p>	
Comments by service	Policy advice, publicly funded research and law enforcement	Agrees with continued Crown funding. Highlights that there is some non-Crown funding of research.
	International standard setting and market access work	Agrees with Crown funding of international standard setting. Agrees with proposed Crown-beneficiary split for funding market access work, but contingent on beneficiary having opportunity to influence methods and efficiency of these activities.
	Export accreditation and official assurances	Agrees. Highlights need for transparent mechanisms to ensure cost-efficiency. Suggests that further work is required on the inclusion of a share of overhead costs, over which the funder has little influence nor ability to assess cost-effectiveness of service provided.
	Laboratory diagnostic work	Agrees.
	Import health standards	Suggests that under Crown funding where requests for market access is received from exporting governments, in effect all requests will be received in this way (New Zealand importer passing to his exporter passing to exporting government to circumvent cost-recovery regime).
	Border inspection and transitional/containment facility standards	Agrees.
	Border inspection services	Agrees. Notes that excludes passenger and aircraft clearances, which are a significant biosecurity activity, and requests confirmation of the funding principles used to ensure consistent. Agrees with considering move to cost-recovery for vessel inspection, conditional on adopting a managed risk approach.

	Transitional and containment facilities services	Agrees.
	Diagnostic testing for border interceptions on imports	Agrees with the proposed Crown-beneficiary funding split. Disagrees that exporters "choose" to have testing done to meet importing country requirements - without testing, their products cannot receive the assurances required to enter the importing country, so testing is effectively mandatory. Requests that this be recognised and considered in funding decisions. Notes that this section of the discussion document is very "animal-centric" and suggests that it is unclear whether it proposes a consistent process across all sectors.
	Surveillance programmes	Considers that the recommendation to apply the funding template to future funding options is premature, given the recommendation that this area. be subject to further work
	Incursion response	Considers that the current recommendations provide insufficient guidance on how incursion responses will be funded and recommends that no changes be implemented until further work and consultation has occurred.
	Pest management programmes	Agrees with continued Crown funding of ongoing activities. Considers that the current recommendations provide insufficient guidance on how future pest management programmes will be funded and recommends that no changes be implemented until further work and consultation has occurred.
	Timeframes	Considers that the timeframes indicated allow little time for affected parties to make adjustments to their budgets and recommends a longer timeframe.
	Funding template	Supports the template's concepts and questions, but considers that the language should be simplified to promote clarity and common expectations.

Submission		10
Organisation		New Zealand Fresh Produce Importers Association
General comments		General agreement with recommendations. Strongly supports review objectives and suggests these be underpinning principles for future funding arrangements.
Comments by service	Import health standards	Generally supports. Agrees that a part Crown-part industry funding regime best suits needs of all parties. Does not support compulsory levy approach and recommends further work with industry on appropriate mechanisms, according to frequency and volume of trade and how well industry groups are organised. Highlights need for flexibility in cost-recovery formula and funding mechanism, to ensure amount recovered reflects work done and easy adaptation to under and over-recovery. Strongly supports that industry should be involved in deciding priorities in return for contributing funding.
	Border inspection services	Strongly supports direct correlation between activities and costs/monies recovered - commodity pathway approach - and no cross-subsidisation
	Diagnostic testing for border interceptions on imports	Contends that the fundamental purpose and current procedures for border diagnostics need reviewing. Calls for partial charging of importers where only partial or incomplete identification. Highlights need for commercial (i.e. non-MAF) border diagnostics services option for importers to compete with current regulatory monopoly.

Submission	11	
Organisation	Meat Industry Association	
General comments	Supports conclusion that Crown remains most appropriate funder of most biosecurity services. Expects that any service that has substantial public good components, including in industries of importance to the national economy, would continue to be funded by the Crown as the representative of diverse beneficiaries now and in the future. Contends that costs to meat industry will be passed back to farmers, who are not best-placed to change behaviours, assess whether benefits outweigh costs or influence to ensure efficiency. Suggests that user charging is therefore not a particularly effective tool for encouraging efficiency gains relative to funding from general taxation. Suggests that even funding from general taxation should be subject to assessment by all relevant parties including industry. Recommends principle of partnership between interested parties and government. Highlights that third party spending on biosecurity is difficult to quantify or is in kind, but these contributions should be recognised in assessing cost-shares.	
Comments by service	Policy advice, publicly funded research and law enforcement	Supports Crown funding, but submits that contributions from third parties to biosecurity policy advice, research and enforcement be recognised.
	International standard setting and market access work	Supports. Argues that industry funding of bilateral market access work should be considered on a consistent but case-by-case basis. Calls for existing contribution from industry (NZFSA levy) to be acknowledged. Requests that industry be given opportunity to consider whether there is a genuine case for change and no duplication.
	Export accreditation and official assurances	Highlights that cost-recovery mechanism already exists for meat industry (NZFSA and E-Cert). Questions whether approach proposed would affect this.
	Laboratory diagnostic work	Submits that activities to comply with obligations under international agreements should be Crown funded - ability to engage in international trade is a benefit to the New Zealand public and exporters cannot influence requirements set by international standard setting organisations.
	Import health standards	Will comment after reviewing IHS discussion document.
	Border inspection and transitional/containment facility standards	Supports.
	Border inspection services	Supports.
	Transitional and containment facilities services	Supports.
	Diagnostic testing for border interceptions on imports	Supports.

Surveillance programmes	Supports Crown funding for surveillance programmes for public health, conservation, environment and general marine purposes. Recommends Crown funding for surveillance to meet requirements of international agreements. Contends that surveillance programmes for early detection should not automatically be funded by export industries, as are required to mitigate the potential adverse effects of risk goods entering New Zealand and in some cases are to protect industries of importance to the national economy. Recommends that industry-government partnerships be developed to ensure that surveillance programmes are effective and efficient. Argues that in kind contributions, such as this, should be recognised. Recommends that surveillance associated with incursion response and pest management should be funded and managed similarly to funding and management of the incursion response or pest management strategy.
Incursion response	Agrees that work on response standards, initial incursion investigation and responses and most contingent response capability is best funded by the Crown. Disagrees that the Crown is well-placed to decide on the level of service appropriate. Submits that this is another area for a partnership approach with industry.
Pest management programmes	Supports. Recommends a partnership approach.
Timeframes	Recommends consultation in parallel with consultation on NZFSA levies. Recommends no implementation of any significant changes for July 2005, due to insufficient time for notification and consultation.
Funding template	Supports development of a funding template, but does not support use of restrictive criteria. Suggests rewording "Who wants this service?" to "Who needs this service?". Suggests that who is "best placed to ensure the benefits of the service outweigh its costs" may not be those who need the service.

Submission	12
Organisation	Christchurch City Council
General comments	Comments specific to collections of exotic biota. Recommends adopting a tiered approach to funding exotic collections: collections of national significance funded predominantly by FRST; collections with a high level of major commercial interest funded primarily by the commercial sector or industry; collections, especially in private ownership, that have regional or national (some public good) component funded through a cost-sharing arrangement from both public and private sources channelled through new national collections network.

Submission	13	
Organisation	Pork Industry Board	
General comments	Supports the review's objectives. Endorses the importance of the Crown's role due to public good component, including benefits to the national economy, of maintaining New Zealand's biosecurity status. Agrees that the previous broadbrush approach had major shortcomings and the proposed funding template provides more detailed analysis.	
Comments by service	International standard setting and market access work	Supports the general principle of industry involvement in market access work, but questions how work associated with a particular trading group or company would be addressed, especially where requiring commercial confidentiality.
	Import health standards	Expresses concerns that international funding for urgent development of import health standards would potentially discriminate against smaller New Zealand players, i.e. market access would become more dependent on ability to fund it. Awaits consultation on import health standard discussion document to make more detailed comments on proposals.
	Surveillance programmes	Questions how existing surveillance programmes will be reviewed and new programmes assessed; on what basis will organisms be classified as unwanted and/or notifiable in the future. Awaits further information and consultation on proposals before providing more detailed comments.
	Pest management programmes	Believes there to be considerable room for improvement in the pest management strategy concept; suggests, based on its industry's experience, that a pest management strategy approach is administratively very cumbersome to develop and implement; believes that a review of the Biosecurity Act could assist.
	Funding template	Suggests that an example of application of the template would have helped its evaluation. Questions how well it would cope with more complex problems, involving many uncertainties, such as the recent PMWS incursion. Questions how emerging industries or groups, providing potential future export opportunities, are represented.

Submission	14	
Organisation	Forest Owners Association	
General comments	<p>Strongly believes that a guiding principle of funding should be that biosecurity is a community responsibility - only where application of a levy or charge would change behaviour, should it be applied to the private sector. Submits that primary producers should be charged only where the benefits of the activity accrue exclusively to them, they are able to manage the incursion and can strongly influence the nature of the programme. Highlights that whilst primary producers benefit from interception, early detection and eradication of exotic pests and diseases, they are normally the victim of someone else's actions; any adverse impact on primary producers' productive capacity inevitably impacts on the economic and overall well-being of their immediate and wider communities; rare for an exotic pest or disease to attack flora of concern only to exotic forests - in the majority of cases other vegetation species and forms are at greater risk.</p> <p>Argues that it is therefore unfair to single out forest growers for a financial contribution to surveillance and incursion responses because of their greater visibility or apparent ability to collect levies; in many cases the conservation estate is at greater risk and more likely to provide a pathway for spread.</p>	

Comments by service	Policy advice, publicly funded research and law enforcement	Agrees, although cautions against using revenue from fines as could provide inappropriate incentives.
	International standard setting and market access work	Agrees on international standard setting. Partially agrees on market access. Highlights that it is rare for bilateral market access to benefit only the exporter (wider community benefits through foreign exchange earnings, employment opportunities, etc.).
	Export accreditation and official assurances	Agrees, but highlights importance of involving exporters in service and pricing decisions to ensure cost-efficiency.
	Laboratory diagnostic work	Agrees.
	Import health standards	Agrees, but considers that cost-sharing should be weighted towards the Crown due to wider community benefits. Highlights importance of involving exporters in service and pricing decisions to ensure cost-efficiency.
	Border inspection and transitional/containment facility standards	Agrees.
	Border inspection services	Agrees.
	Transitional and containment facilities services	Agrees, but highlights importance of involving those who pay in service and pricing decisions to ensure cost-efficiency.
	Diagnostic testing for border interceptions on imports	Agrees.
	Surveillance programmes	Supports Crown funding for surveillance programmes for public health, conservation, environment and general marine purposes. Opposes imposing costs on easily identifiable beneficiaries - if cannot identify ALL beneficiary groups, shouldn't charge any. Supports further work on funding and management of other surveillance programmes of direct benefit to industry, but does not agree if "of direct benefit to industry" implies that industry meet all costs - benefits of eradicating or controlling an exotic pest or disease accrue to many parties.
	Incursion response	Agrees.
	Pest management programmes	Agrees, but not if "of direct benefit to industry" implies that industry meet all costs - benefits accrue to many parties.

	Funding template	<p>Agrees that who wants the service is a useful starting point but should not be the main determinant of who should pay (e.g. wanted by person or group who suffers from another's actions). Submits that even if an importer is unable to influence the introduction of exotic pests and diseases, he shouldn't necessarily be excluded from contributing to costs of biosecurity measures (businesses face many costs beyond their influence, accepted as a normal cost of doing business). Strongly opposes charging a group on the grounds that there is an efficient way to do so. Fully agrees with concept that the group charged should have a large input into how a service is to be provided. Agrees with hierarchy of questions for determining should be charged. Supports the need to assess the likely equity impacts of any change in policy.</p> <p>Highlights that template still has a high degree of subjectivity. Considers that it relies too heavily on attempting to identify private sector exacerbators and beneficiaries and ignores the wider community good of all biosecurity activities. Strongly supports the government partly or wholly funding most biosecurity activities. Identifies additional government interest with regard to forest biosecurity in terms of participation in the Kyoto Protocol (carbon sinks enable government to commit to carbon reduction targets without undue economic pressure on wider community). Submits that beneficiaries should be expected to contribute to funding biosecurity activities only where the benefits are very narrowly distributed and those paying can influence the outputs. Disagree that the Crown is the default funder - should be considered one of the prime parties.</p>
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Submission		15
Organisation		Fruitgrowers Federation, Vegetable and Potato Growers Federation, Berry Fruitgrowers Federation
General comments		Summary: strongly believes that there should be Crown funding of surveillance and incursion response where there is the potential for significant impacts on the national economy, not just environmental, public health and conservation impacts; expresses concern about level of charges and overheads where the Crown is the sole provider and stresses need for adequate consultation with industry groups; considers proposed timeframes for implementation do not allow for adequate consultation or alternative funding mechanisms to be established; believes that the funding template does not adequately target exacerbators or those who benefit from the activity that creates the biosecurity risk and unfairly targets those able to pay rather than those who should pay.
Comments by service	Policy advice, publicly funded research and law enforcement	Agrees that should continue to be Crown funded.
	International standard setting and market access work	Agrees on international standard setting, although notes that Crown funding has not always been the case in the plants industry in the past. Disagrees that market access work tends to benefit a particular exporter or group of exporters - subsequent access is available to all, not just those who funded the work. Submits that industry groups have little ability to influence costs of market access work, other than deciding to fund or not, and there is no choice of service provider (may be scope for competition for background work, but negotiations are government-to-government). Expresses concern about property rights - suggests exclusivity to funder for limited period.
	Export accreditation and official assurances	Agrees, but expresses concern about level of charges and overheads. Expresses concern about speed of implementation and stresses need for full consultation with industry on level of charges.
	Laboratory diagnostic work	Agrees that export testing and country or area freedom be cost recovered. Strongly supports continued Crown funding of diagnostics and identification of suspected new pests and diseases found in New Zealand - early and accurate identification is critical; individuals and companies must not be discouraged from seeking identification by the imposition of cost-recovery.

Import health standards	Highlights that much of the work on import health standards has parallels with export market access work and therefore must be subject to consistent funding principles. Supports the move to greater levels of cost-recovery as proposed.
Border inspection and transitional/containment facility standards	Agrees that these should continue to be Crown funded.
Border inspection services	Submits that there needs to be a consistent approach between import inspection and export assurances. Considers that importers should be charged the full cost of clearing their imports (to internalise the cost of the risk created by the activity of importing). Suggests that if the Crown were to fund import clearances, it should also fund export assurances. Highlights that exporters cannot influence standards of importing countries and in many cases these standards are imposed as a result of import activity bringing pests into New Zealand. Supports a consistent approach and full cost-recovery for vessel clearances. Supports continued Crown funding of mail clearances. Strongly believes that courier packs should have the same level of screening as other mail and this should be Crown funded with treatment costs recovered from recipients where possible.
Transitional and containment facilities services	Believes there to be a strong case for Crown funding of the initial accreditation of facilities (recognises public good associated with these facilities in facilitating trade whilst protecting New Zealand's biosecurity status and underpinning New Zealand's international competitiveness) and then cost-recovery for maintaining ongoing accreditation and other services.
Diagnostic testing for border interceptions on imports	Supports.
Surveillance programmes	Strongly opposes the proposed approach. Believes that the Crown should fund surveillance where there is the potential for significant impacts on the national economy, not just environmental, public health and conservation impacts. Suggests that there is a good case for surveillance associated with risks created by imports to be funded by importers or travellers who create the risk or those who benefit from the risk creating activity (consumers, tourists and travel industry) rather than those who benefit from management of the risk (primary production and export industries). Agrees in general with surveillance programmes associated with incursion response or pest management being funded in the same way as the associated incursion response or pest management programme, but considers that surveillance funding should be addressed when these programmes are put in place.
Incursion response	Strongly opposes the proposed approach. Believes that the Crown should fund incursion response where there is the potential for significant impacts on the national economy (including export market access), not just environmental, public health and conservation impacts. Suggests that, to avoid delays if industry funding is to become more common, need a reliable and equitable funding mechanism that can be instituted quickly (which neither the Biosecurity Act nor Commodity Levies Act does currently). Highlights that Biosecurity New Zealand needs to ensure it has the capability to drive discussions and assist industry groups to develop incursion response plans, including decisions on funding. Suggests that the funding template should include consideration of exacerbators and those who benefit from the activity that creates the risk.

	Pest management programmes	Believes that the Crown should be a funding partner for pest management programmes where there is a significant economic benefit to New Zealand. Suggests that the role of primary production industries in managing pests and diseases is underestimated as it is undertaken as part of day-to-day farming practices rather than formal pest management plans. Considers there to be a need for Biosecurity New Zealand to provide leadership and guidance to stakeholder groups to assist in preparation of Pest Management Strategies.
	Timeframes	Expresses strong concern about proposed timeframes for implementation and considers these too short to enable adequate consultation, systems to be altered and alternative funding mechanisms to be established. Considers changes to existing charges by 1 July 2005 to allow inadequate time for consultation with industry on level of charges (especially given that Crown is sole provider of many services, so need reassurance that charges reasonably reflect costs). Considers changes to existing surveillance programmes by 1 July 2006 ignores the complexity of industry groups developing alternative funding mechanisms; takes at least two years to establish a biosecurity levy or commodity levy. Opposes setting a date for these alterations to be implemented and believes that the dates should be established case-by-case in discussion with the industry group affected.
	Funding template	Believes that the funding template does not adequately target exacerbators or those who benefit from the activity that creates the biosecurity risk and unfairly targets those able to pay rather than those who should pay. Considers that the template does not adequately address the issue of who creates biosecurity risk. Considers the question of "who wants the service?" to be misleading (e.g. many importers who create risk have no interest in maintaining New Zealand's biosecurity status). Submits that whether or not importers can modify their behaviour to reduce risk is not important in considering funding - contends that as they are undertaking an activity that creates risk, they should meet all costs associated with that risk.

Submission		16
Organisation		Hawke's Bay Regional Council
General comments		Supports discarding the current funding hierarchy, which it never supported. Supports the finding that current funding arrangements for surveillance and incursion response are inconsistent and ad hoc.
Comments by service	Surveillance programmes	Supports Crown funding for surveillance. Contends that the current suite of surveillance programmes needs to be reviewed, as there are gaps (especially for pest plants). Suggests that the Crown should make a clear distinction between DoC surveillance programmes, which are often undertaken only on the conservation estate, and national surveillance programmes.
	Incursion response	Agrees. Supports continued Crown funding for not only current but also future responses. Asserts that the Crown must take the lead and immediate action in incursion responses, based on sound science, to eradicate where possible - the question of who pays must come later and not delay the response.
	Pest management programmes	Considers the limited number of fully Crown-funded pest management programmes, other than those undertaken by DoC, to be a gap in the role of the Crown that needs to be remedied. Agrees that where benefits apply to both specific interest groups and the Crown, all funders should contribute to decision-making. Disagrees that bovine Tb vector control activities are an example of this. Considers that the DoC pest and weed management programme should not necessarily be seen as solely a pest management programme - should also be seen as work by a prudent landowner to protect the value of its asset.

Submission	17
Organisation	Dairy Companies Association of New Zealand
General comments	<p>Agrees with the initiatives proposed to ensure a clear and consistent framework is applied to biosecurity funding. Agrees that the Crown should be responsible for a co-ordinated (including holistic, to avoid overlaps across government departments) biosecurity management programme and is the most appropriate funder for most services. Agrees with the Summary of Review Findings subject to: there are a number of areas (especially surveillance, incursion response and pest management) where further work is proposed to be undertaken on the funding of services considered to be of direct benefit to industry; and considers that the allocation of costs for such programmes to industry as "beneficiaries" should not be assumed - in many cases it is the exacerbators who create the need (e.g. importers, border control) and the service benefits the country as a whole. Submits that Crown funding should continue where public good, country as a whole is a beneficiary (economic, health or environmental benefits) or exacerbators cannot be charged. Believes that effective biosecurity management relies on a partnership arrangement amongst stakeholders.</p> <p>Believes that the level of voluntary versus mandatory funding should be reviewed to ensure all industries are contributing as agreed on a level playing field. Highlights future funding requirements will need to be clarified (e.g. resulting from the draft New Zealand Animal Disease Response Policy). Requests that funding decisions take into account the costs borne by all stakeholders, including in-kind contributions. Contends that there is logic in targeting importers, especially those engaging in high-risk activities. Expresses concern, and considers not a valid basis for funding, that an industry may be targeted simply because it is well-organised, has ability to recover costs from members and has skills and knowledge to identify the optimal level of surveillance. Highlights that industry expenditure on biosecurity measures is a balance between effective risk management and need for competitive advantage.</p>

Submission	18
Organisation	Board of Airline Representatives New Zealand
General comments	<p>Supports importance of funding/charging consistency. Highlights government adoption of primary beneficiary approach (instead of trying to establish percentages of public and private benefits for each activity) in 2004 for funding passenger clearance services and acceptance that the primary beneficiary of biosecurity services at the border for passenger clearances is New Zealand as a whole and therefore to be Crown funded. Strongly advocates that the primary beneficiary approach be used for other areas of biosecurity activity, particularly for inspections and clearances of craft and cargo. Calls for same approach to be applied to cargo clearances and vessel clearances for consistency and equity, with the primary beneficiary of inspection and clearance activities for craft, passengers and cargo moving across New Zealand borders being the New Zealand public and therefore to be funded by the Crown from general taxation. Recommends that a more targeted compliance system not be associated with the charging regime - instead, suggests fines for non-compliance.</p>