

Summary of Submissions:

Joint Decision-Making and Resourcing for Readiness and Incursion Responses

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Executive Summary

In September 2007, the Ministry of Agriculture and Forestry Biosecurity New Zealand (MAF) consulted stakeholders on the discussion paper, *Joint Decision-Making and Resourcing for Readiness and Incursion Responses* (No: 2007/02). The discussion paper, prepared by a MAF-primary industry working group, proposes that Government and industry should jointly make decisions and provide resources for readiness (surveillance and preparing for future responses) and response (actions taken after a risk organism has been detected including identification, containment, and eradication or other management). They would agree on priorities for readiness and response, determine how to share costs, and determine how to make rapid joint decisions during a response.

MAF received 34 submissions on the discussion paper over a 12 week consultation period. Submitters included 26 bodies that represent primary producers, three regional councils, one government department, two Crown research institutes, two non-profit organisations, and one body representing veterinarians.

Many submitters were supportive of the desired outcomes for the framework and noted other positive outcomes they felt it would deliver including more certainty about how MAF will respond to incursions, better informed decisions, and use of resources for agreed priorities.

Many submitters were of the view that the Crown and/or importers and incoming passengers (exacerbators) should provide most readiness and response resources. Of these submitters, most indicated that industry should contribute some resources, with an emphasis on in-kind contributions. A few submitters argued that only the Crown and exacerbators should provide resources for readiness and response.

Many submitters were very supportive of joint decision-making between Government and primary industries. Some submitters supported the proposition that resource contributions would be required in order to have decision-making rights, while others opposed this view.

Comments on the scope of the framework mainly focused on readiness and reduction (activities to reduce the arrival of risk organisms carried out before goods reach New Zealand or at the border). Several submitters supported the proposal that the framework would cover readiness and response, and identified work that should be done collaboratively. Many submitters were of the view that reduction of risk at the border is not adequate and suggested ways to remedy this. A few submitters suggested that the framework be extended to include other stakeholders (e.g. regional councils).

Approximately half of the submitters commented on aspects of implementing the proposed framework, including views on setting agreements in place, implementing joint decision-making, agreeing on cost shares, and dealing with compensation.

Although MAF did not receive formal submissions from any Māori groups, MAF consulted at four hui. Some of the issues raised by participants were that Māori have a lot to offer the biosecurity system and MAF should be partners with Māori rather than only consulting with them.

The next steps for MAF are to consider the key issues raised by submitters and prepare advice for the Minister for Biosecurity to take to Cabinet on the proposed framework.

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1 Introduction

In September 2007, the Ministry of Agriculture and Forestry Biosecurity New Zealand (MAF) invited submissions on the discussion paper, *Joint Decision-Making and Resourcing for Readiness and Incursion Responses* (No: 2007/02).

The discussion paper suggests a new framework that could improve the current biosecurity readiness and response system, by guiding the development of closer working relationships between the Government and primary production industries. The framework aims to get MAF and industry to work together before a crisis arises, via Government-industry agreements.

The proposed framework would involve Government and industries deciding jointly on:

- which risk organisms of interest to industry will trigger responses;
- what is required to be ready for a risk organism incursion;
- how to make rapid decisions jointly for responses if such risk organisms arrive; and
- how costs will be shared.

The discussion paper was prepared by a MAF-industry working group, set up at the request of the then Minister for Biosecurity in 2005. As it was not feasible to involve representatives from all industries, MAF invited members from the livestock, forestry and horticulture sectors to form the Surveillance and Incursion Response Working Group (the working group).

This document summarises the issues raised in submissions. The next steps for MAF are to consider and respond to the key issues raised by submitters and prepare advice for the Minister for Biosecurity to take to Cabinet on the proposed framework.

Consistent with the discussion paper, this summary uses the terms “reduction, readiness, response, and recovery” to describe the response system (see definitions in Appendix 1). The term “risk organism” used in this summary is defined as an organism either already present in or new to New Zealand, that poses a potential biosecurity risk.

2 Consultation

Consultation on the discussion paper was planned by the working group and led by MAF. MAF consulted on the discussion paper and the draft *Policy for responding to pests and diseases (risk organisms)* simultaneously.¹ The public release of both papers included a press release, information on MAF’s website, articles in *Biosecurity* and *Surveillance* magazines, and mail-outs. Stakeholders were given twelve weeks to make submissions.

MAF consulted with Māori on the discussion paper at hui held in Dunedin, Whangarei, Tauranga, and Hastings. The hui engaged with Māori on biosecurity in general while consulting specifically on the discussion paper and draft response policy.

¹ MAF will provide submitters on the draft *Policy for responding to pests and diseases (risk organisms)* with a summary of submissions in a separate document.

MAF initially invited 59 industry organisations to attend any of ten workshops around New Zealand. These invitees were chosen on the basis that they represented producers across New Zealand within agriculture, horticulture, forestry, or aquaculture or represented Māori interests in primary industry. Invitations were later extended to regional horticulture groups after receiving feedback that some wished to attend. MAF invited comment from 38 additional industry organisations, Crown research institutes, and environmental non-profit organisations.

MAF consulted the Biosecurity Central-Regional Government Forum and the Biosecurity Ministerial Advisory Committee, met individually with seven regional councils, and met with Government Departments and environmental non-profit organisations.

3 Issues Raised in Submissions

MAF received 34 submissions on the discussion paper from organisations representing the agriculture, horticulture, forestry, and aquaculture sectors, and from regional government, Crown research institutes, and non-profit organisations. A list of submitters is provided in appendix 2.

Submitters' views can be summarised under the following headings:

1. Desired outcomes.
2. Principles for joint decision-making and resourcing.
3. Scope of the proposed framework.
4. Implementing the proposed framework.
5. Alternative options.

The discussion paper set out 26 suggestions that summarise the key features of the proposed framework. These suggestions are re-printed in this summary under the relevant submission headings and are listed in full in appendix 3.

No submissions were received from Māori groups, however, feedback from the hui is included in Section 5 on page 16.

Some submitters made comments or raised issues that are outside the scope of the discussion paper. These are addressed in Section 6 on page 17. Issues raised by submitters that are specific to their organisation or industry will be addressed directly with the relevant submitter.

4 Summary of Submissions

4.1 DESIRED OUTCOMES

The discussion paper (p.3) set the following desired outcomes for the proposed framework:

- *The right incentives to maximise appropriate readiness and the early reporting of new organisms.*
- *The right incentives to minimise the entrance of unwanted new pests and diseases, without unjustifiably restricting trade.*
- *Efficient resource allocation – resources are targeted to readiness and incursion responses where acceptable net benefits for New Zealand are achievable (i.e. not just for the Government).*
- *Co-operation between industry and MAF to enable the management of incursions in the most cost effective and efficient manner.*
- *Return to previous state (as close as practicable, all other things being equal) – returning biosecurity status, including domestic production and trade to the previous state, or to a new condition that is less vulnerable, as fully and as quickly as practicable.*

Submitter comments

Seventeen submitters commented on desired outcomes for the proposed framework. The majority of them supported the outcomes presented in the discussion paper and considered the new approach to be a positive step forward. Submitters also noted other outcomes they thought the framework would deliver including the following:

- Industries are more certain about how MAF will respond to incursions.
- Strategy and responsibilities for readiness and response are clearer.
- MAF and industry make informed and timely decisions.
- MAF and industry communicate better with each other.
- Resources are used for agreed high priorities.
- In-kind contributions from industry are recognised.

One submitter questioned whether a voluntary approach would achieve the desired outcomes of the framework. In contrast, another submitter felt allowing industry groups to decide whether or not they wish to enter an agreement was a strength of the approach.

Two submitters identified desired outcomes that they did not think would be delivered by the framework in its current form:

- Government provides adequate resources for readiness and response.
- Funding arrangements are equitable.

4.2 PRINCIPLES FOR JOINT DECISION-MAKING AND RESOURCING

Thirty submitters commented on the principles underlying the proposed framework. Comments focused on the principle of ‘beneficiary pays’, the concept of joint decision making, and the link between the two.

4.2.1 Direct beneficiary pays

Relevant suggestions from the discussion paper:

- *The proposed framework is based on the principle that the direct beneficiaries contribute to the direct costs of a service, as they are well placed to assess the benefits of the service, determine if it should be provided, and influence cost effective provision of the service.*
- *Direct beneficiaries can include industries and the Crown.*
- *Where the benefits of surveillance, contingency planning, or response relate to the wider public good, such as human health or the environment, or when it is not possible to identify direct beneficiaries, the Crown should manage and fund any such work according to its priorities and available resources.*
- *In recognising that border measures are intended to target risk creators, the Crown will continue to enforce controls at the border and target specific exacerbators where they can be identified.*

Submitter comments

Most submitters commented on the suggestions above. Individual submitters often expressed a mix of views on who should provide resources for readiness and response. These views can be summarised as follows:

- Primary industry should contribute cash and/or in-kind resources (23 submitters).
- The Crown and exacerbators should contribute much of the needed resources (19 submitters).
- The Crown and/or importers and incoming passengers (exacerbators) should contribute *all* the needed resources (five submitters).
- Some submitters specifically commented on the principle that industry contributes as a beneficiary, with seven submitters in support of this view and eight opposed.

Support for industry contributions

Those in support of industry contributions included 20 industry organisations and three non-industry submitters. They had varied views about the rationale for, and extent of, industries’ contributions. Most of them emphasised that the Crown and exacerbators should provide most of the needed resources. Six submitters specified they could *only* contribute in-kind resources. One submitter suggested that industries would contribute because they wish to obtain a certain level of biosecurity but not because they are beneficiaries.

Several submitters proposed that an industry should contribute resources only if MAF has met performance standards for reduction, if industry is receiving a very high proportion of the benefits, and/or if all other beneficiaries are contributing. Submitters requested a greater say in the area of reduction and emphasized that if they were to provide resources they must get equal say in decision-making. Several submitters noted that cost sharing must be set at a level that is affordable for industry and does not threaten their viability.

Opposition to industry contributions

Four industry submitters and one non-profit organisation argued that the Crown and/or exacerbators should fully fund readiness and response. The main reasons for opposing industry contributions are set out below. Many of these views were also expressed by most of the submitters who indicated industry should make some sort of resource contribution.

Exacerbators and/or the Crown should pay

Many submitters felt that:

- exacerbators and the Crown should provide funds so they would have incentives to prevent incursions of risk organisms at the border (“polluter pays” approach);
- it is unfair to ask primary industry to pay for incursions that they did not cause;
- readiness and response provides 100 percent public benefits; and
- protecting primary industry is a public benefit because industries contribute to the economy.

Some submitters proposed levies on passengers and/or imported cargo while others suggested that MAF should seek out individual exacerbators and increase fines.

Affordability and efficiency

Some submitters, particularly in the horticulture sector, were concerned that industries could not afford to cost share. Some felt that the proposed approach would impact more negatively on smaller industries than larger ones because the former:

- may be asked to pay a higher cost share;
- lack the economies of scale of larger industries; and
- may not get their priorities addressed if several incursions occurred at once and MAF focused on larger industries’ concerns.

A few submitters argued that charging industry would not improve efficiency because they cannot influence the cost or level of service, and agreements would be time consuming and costly to negotiate and administer. One submitter considered that the Crown should fully fund all surveillance required by multi and bilateral international standards or to justify border measures. The submitter felt that industries should not pay because they cannot help decide what surveillance is required by these standards.

This same submitter suggested that industry could fund any additional surveillance needed to access a new overseas market or to satisfy a specific customer because in these situations industry could decide if the benefits of the activity outweighed the costs.

Several submitters felt the Biosecurity Funding Review was inconsistent with Treasury and Audit Office guidelines, overlooked exacerbators as funders, or was designed to collect funds for MAF. One submitter suggested that to be equitable, and following the definition of “merit goods” in the Audit Office Guidelines for Setting Charges in the Public Sector, a higher proportion of costs should be apportioned to the Crown. The same submitter noted that the Treasury guidelines state that neither “beneficiary pays” nor “exacerbator pays” are necessarily efficient.

4.2.2 Joint decision-making

Joint decision-making between MAF and primary industry is central to the proposed framework. Currently MAF consults industry on biosecurity decisions but does not extend decision-making rights to them.

Submitter comments

Twenty-seven submitters supported joint decision-making while only one submitter from a non-profit organisation opposed this idea. Many submitters made suggestions and raised concerns about how joint decision-making could work in practice (See Section 5.4.3).

Submitters made a variety of comments on decision rights:

- Industry must be certain that MAF would give them decision-making power.
- It is unclear who from industry would make decisions if a risk organism impacted on several industries.
- If all horticulture groups were contributing resources, they should have equal standing as decision-makers but this could be unwieldy.
- It needs to be clearer when industry would have decision-making rights versus when MAF would be the sole decision-maker.
- It is likely that the Crown will decide to remain the final decision-maker because it is accountable for the results of decisions.
- Giving industry decision-making rights could threaten MAF's ability to protect human health, the environment, and culture from risk organisms because these values may not be a priority for industry.

4.2.3 Link between decision-making and resourcing

Relevant suggestions from the discussion paper:

- *It is MAF's view that those contributing resources should participate in key decision-making, while those not contributing resources should be consulted.*
- *Industries should undertake further thinking about their stance on the relationship between decision-making and resourcing rights.*

Submitter comments

Submitters' positions on the link between decision-making rights and resourcing were as follows:

- Supports requiring resource contributions in order to participate in decision-making, while those not contributing should be consulted (five submitters).
- Groups who can provide only in-kind resources should also be decision-makers (three submitters).
- Opposes requiring resource contributions in order to participate in decision-making (ten submitters).

Comments from those opposed to linking resourcing with decision rights included the following:

- Any industry that would be significantly impacted on by the incursion should be a joint decision-maker regardless of who pays.
- Government has an obligation to consult and good consultation is not occurring now.
- Industry already meets many costs during incursion responses and should not contribute more in order to become a decision-maker.
- Smaller industries that cannot provide resources should still have decision rights.
- Allowing industry to “buy” decision-making rights could result in decisions that fail to reflect the public interest.

Submitters wanted more information on what joint decision-making would mean for them in practice and if a minimum level of contribution would be required to secure participation in decision-making.

4.3 SCOPE OF THE PROPOSED FRAMEWORK

Thirty submitters commented on the scope of the proposed framework. Comments predominantly focused on the proposal that the framework should apply only to readiness and response but not to reduction measures at the border. Several comments were also made about extending the scope to include other stakeholders. In general there appeared to be a desire for a greater understanding of how reduction, readiness, response, and recovery (the “4Rs”) could be linked under the framework.

4.3.1 Reduction, readiness, response and recovery

Relevant suggestions from the discussion paper:

- *The framework would primarily focus on Government and industry responsibilities for functions that are part of readiness and response.*
- *Readiness is an area where Government and industry collaboration is desirable and further work is needed to determine specifically how this would work.*
- *The framework would help improve the effectiveness of the entire biosecurity system by requiring Government and industries to make a commitment about responsibilities for reduction and recovery.*

Submitter comments

Several submitters agreed that the scope of the proposed framework should be readiness and response. Other mentions of scope included:

- Reduction should be within scope now or in the future.
- How could the proposed framework meet the desired outcome of minimising the entrance of risk organisms if reduction is out of scope?
- Decisions about long-term management of risk organisms should be within scope because such management is often needed and it is best to plan early for this.
- Only MAF should be responsible for reduction, readiness and response. Joint decision-making should apply to recovery and compensation only.
- Would genetically modified organisms be within scope of these agreements?

Specific comments on readiness included the following:

- The proposed framework and the Surveillance Strategy that MAF is developing need to be consistent.
- MAF and industry should collaborate on surveillance.
- MAF and industry should analyse the risk of future incursions based on trade, tourism, and climate trends.
- Generic readiness activities should be centrally planned and delivered rather than duplicated by individual industries.
- Response plans should be tested through simulations that include industry.
- Agreements should include commitments on marine surveillance and resources for identifying marine species.

Several submitters queried how joint decision-making would apply to readiness and what industry would need to do to be ready for an incursion. One submitter queried whether rural support trusts would have a role in readiness.

Eighteen submitters raised concerns about reduction. Their views were as follows:

- Reduction should be the highest priority within the biosecurity system.
- MAF needs to do a better job at reducing biosecurity risk at the border.
- Industries should nominate technical experts to help develop or peer review Import Health Standards.
- Industries and MAF should agree on which organisms to keep out of New Zealand.
- The proposed framework should include reduction performance standards for MAF.
- There is scientific and technical justification for more stringent biosecurity requirements on used vehicles.

4.3.2 Roles and responsibilities

Relevant suggestions from the discussion paper:

- *Under the framework MAF would retain its leadership role in incursion response.*
- *The framework should identify functions requiring certainty and specify who is responsible for carrying out these functions and how they would be carried out.*

Submitter comments

When considering roles and responsibilities, several submitters emphasised that it must be clear what Government and each industry party is meant to do. Several submitters questioned whether MAF would have enough resources to carry out its responsibilities under Government-industry agreements.

Eight submitters agreed that MAF should continue to lead responses because MAF is accountable for the biosecurity system, has expertise for responding to risk organisms, and has access to legal powers under the Biosecurity Act 1993. Another submitter suggested that to enable true joint decision-making, industry would need access to Biosecurity Act powers, including the power to implement movement controls and possibly deploy MAF resources.

Several submitters suggested that MAF should be committed to respond to all incursions, not just nationally significant ones. One submitter was concerned that MAF might not view organisms that impact on small industries as significant. The submitter argued that the small industries collectively make a significant economic contribution, have growth potential, and contribute to healthy rural communities.

Another submitter questioned the statement in the discussion paper: “In order for there to be enough incentive for the Government to participate, these responses are likely to be at a national level...” (p.3). This submitter suggested that national *significance* is the correct criterion for a MAF response and noted that many responses to significant organisms occur at a regional level (e.g. red imported fire ant, painted apple moth, Asian gypsy moth).

Roles of other stakeholders

The discussion paper proposed that MAF and primary industries would be parties to any agreements formed. The roles of other stakeholders were not a focus of the discussion paper.

Submitter comments

Several submitters suggested that the Department of Conservation and regional councils should be joint decision-makers because risk organisms directly impact on aspects of New Zealand that they are tasked with protecting. Others requested clarity on what the roles of these groups would be. One submitter did not think it would be a good idea for Government and industries to determine priorities without involving other stakeholders. Some submitters suggested that the tourism industry, as a direct beneficiary, should join primary industry in joint decision-making and resourcing.

4.4 IMPLEMENTING THE PROPOSED FRAMEWORK

4.4.1 General approach

Relevant suggestions from the discussion paper:

- *The proposed framework should increase certainty around strategy and tactics, and retain flexibility around operational decisions.*
- *The new framework should be generic and flexible enough to respond to new or unanticipated pests and disease while including contingency plans for specific pests and diseases.*

Submitter comments

Twelve submitters agreed with the suggestions above. Several of them suggested that response plans for specific risk organisms could be adapted for use on similar organisms. One submitter felt that individual industries may want to design an approach that works best for them, but where multiple industries must co-operate in a response, one system used by all is needed.

One submitter pointed out that MAF already has a systems approach in place because it has a response policy and decision-making principles.

4.4.2 Possible ways to develop an agreement

Relevant suggestions from the discussion paper:

- *Either a legally binding contract or a “good faith” agreement, or some combination of the two, could be created between Government and interested industries.*
- *Agreements could either cover individual industry needs, multiple industries, or an entire sector.*

Submitter comments

Fourteen submitters commented on developing agreements for joint decision-making and resourcing. Their comments are presented by topic below.

How many agreements?

Some submitters suggested that one agreement should be negotiated per sector (horticulture, forestry, agriculture etc.). Two submitters from horticulture felt individual agreements would be needed to cover specific crops or risk organisms. One submitter requested a separate agreement for their industry.

Mandate?

Seven submitters commented on the mandate to represent an industry under an agreement. Several submitters were unsure how a mandate for joint decision-making could be determined or a levy imposed. Concerns were raised that diverse industries might struggle to agree on one body to represent them. One submitter noted they had an established mandate and a funding mechanism in place while another submitter was confident they could confirm a mandate with their producers if the industry wished to enter an agreement. Criteria for determining mandate were proposed:

- Body adequately represents parties who would be directly impacted on by decisions made under agreements.
- Body has the mandate to commit the resources of its members.
- Body can implement risk reduction or incursion management measures.

Contract or Memorandum of Understanding?

Four submitters supported a legally binding agreement, one preferred a Memorandum of Understanding, and one preferred a combination of the two. Others did not indicate a preference but suggested that any agreement should include performance standards. Several submitters questioned how “free riding” could be prevented.

4.4.3 Implementing joint decision-making

Twenty-two submitters commented on how joint decision-making could work in practice. This included comments on the need for rapid decisions to prevent risk organisms from spreading too far, the importance of transparent decision-making, and the desire to minimise bureaucracy. Twenty of these submitters also commented specifically on the proposed committees for joint decision-making and/or the option of a National Co-ordinating Body.

Committees for decision-making

Relevant suggestions from the discussion paper:

- *Industries and Government would make strategic decisions about readiness and response jointly through a Decision-Making Committee.*
- *The Decision-Making Committee would be informed by MAF and industry representatives on joint Readiness and Response Committees.*
- *During incursion responses, affected industries would work with MAF to manage the response. Government and industry would also collaborate on operational matters.*

Submitter comments

Eight submitters supported having decision-making, readiness and response committees, while three non-industry submitters cautioned against having that many committees. Others did not express support or opposition but made a variety of comments. Four submitters commented that smaller industries should have equal standing with larger ones on the decision-making committees. One submitter suggested that decision-makers should be required to consider the full range of values that MAF is mandated to protect.

A number of submitters commented on the need for rapid decision-making:

- Rapid decisions in a response are essential.
- Industry input would lead to faster, more effective responses than currently occur.
- Joint decision-making could slow responses.
- A “command and control” approach is needed in emergencies, rather than decisions by committees.

Several submitters suggested that, for the committees to operate effectively, the following would need to be developed:

- Terms of Reference;
- membership;
- reporting lines;
- operating rules;
- selection of an independent chair; and
- time limits for critical decisions.

National Co-ordinating Body

Relevant suggestion from the discussion paper:

- *A National Co-ordinating Body could be formed to create more effective links with MAF and industry in delivering the proposed framework.*

Submitter comments

Seven submitters, representing some of the larger industry sectors, supported having a National Co-ordinating Body while six opposed the suggestion, cautioning that it could add unnecessary complexity and cost. Several submitters proposed that Government fund the body.

Those favouring a co-ordinating body felt it could:

- provide independent advice;
- co-ordinate resources;
- administer agreements;
- work with industry in developing biosecurity plans;
- act as a secretariat for members of the decision-making committees;
- facilitate and oversee funding arrangements; and/or
- oversee and report on parties' performance against risk reduction commitments.

4.4.4 Implementing joint resourcing

Determining public and private benefits

Relevant suggestion from the discussion paper:

- *The proportion of public benefit relative to private benefit of an activity would determine the cost split between Government and industries.*

Submitter comments

Nineteen submitters commented on setting cost shares according to public and private benefit. Two submitters supported this approach while others did not support or oppose it, but made various comments.

Several submitters felt determining cost shares based on the proportion of public and private benefit could be challenging and contentious because:

- little may be known about the likely impacts of the organism and there may be a “lag time” before spread potential or host preferences become clear;
- direct beneficiaries may change over time as an organism spreads or affects new hosts;
- multiple sectors may receive direct benefits from preparing for or responding to the risk organism; and
- it is hard to differentiate public from private benefits because primary industry depends upon healthy ecosystems and the public benefits from the economic contributions of primary industry.

Several submitters questioned whether costs could be allocated fairly within the horticulture sector given that impacts of a risk organism could vary widely; there are 80 different crops being grown around New Zealand for export to 100 countries with varying market access requirements.

Many submitters commented that readiness and response often offers high public benefits including:

- healthy regional economies and communities;
- protection of animal welfare;
- social benefits from companion animals;
- healthy marine ecosystems; and
- pollination services from bees for pastoral farming and horticulture.

Cost share tools

The discussion paper described three tools that could be used to determine cost shares. Relevant suggestion from the discussion paper:

- *To determine relative public and private benefits, the impacts of the pest or disease and the extent to which these impacts would be experienced by the public and industries could be evaluated.*

Submitter comments

Ten submitters commented on determining cost shares:

- Clear, transparent and fair rules are needed for determining private and public benefits.
- Independent advice should inform the assessment of impacts and where they fall.
- A process is needed for allocating costs when multiple industries are direct beneficiaries.
- The Decision-Making Committee could determine cost shares.
- Cost share tools should consider short and long-term impacts and the uncertainty of impacts.
- Bayesian approaches and “fuzzy logic” are tools to use for dealing with uncertainty.
- Industry must be satisfied with how cost shares would be determined before signing a Government-industry agreement.

Several submitters commented on the actual cost share tools described in the discussion paper. Most were undecided on which tool they preferred, or felt that it was premature to discuss the tools until agreement has been reached on if primary industry should pay. One submitter felt the proposed tools are too complex while another preferred the “summary of exposure tool”. One submitter supported the default 50/50 cost share that would apply if an organism arrived that had not yet been worked through the cost share model. Another submitter opposed it and suggested the Crown pay most costs until a cost share is agreed on.

Resource contributions

Relevant suggestions from the discussion paper:

- *Under the framework MAF would fund activities early on in the response until the point in time where there is adequate certainty that the pest or disease is likely to be of interest to industry.*
- *Under the proposed framework cost sharing would apply only to the direct and additional costs incurred during activities undertaken under an agreement.*

Submitter comments

Four submitters agreed that the Crown should fund responses until it determined that the organism is of interest to industry. Several submitters suggested that the Crown should invest more on biosecurity because of risks from increased trade and travel.

Several submitters agreed that cost sharing should apply to direct and additional costs only. One of these submitters did not view compensation as a direct cost and thought it should be Crown funded. Several submitters indicated they could only or mainly offer in-kind resources, such as experienced staff, communication networks, and equipment. They argued that this should count towards their share of costs.

One submitter noted that more information is needed about how to share resources for readiness. Another submitter stressed that joint agreements should not compromise any existing cost sharing arrangements that regional councils have with industry.

Collecting contributions from industry members

Relevant suggestion from the discussion paper:

- *For industries to commit to providing their cost share, they would need a means of collecting contributions from industry members. There are a number of options for doing this including a Biosecurity Act levy imposed on all members of the affected industry.*

Seven submitters commented on levies. One proposed that a Biosecurity Act levy be used, noting the industries would need to avoid double charging producers (e.g. imposing meat and milk levies on dairy farmers). Several submitters said they could not afford levies. Comments about levies included the following:

- Uncertain about who would administer the levy.
- A levy would need to reach all people that should pay, to avoid “free-riders”.
- Concern that MAF would not pursue non-payers.
- The costs of implementing a levy and managing the funds could outweigh the benefits.
- A mechanism should be found to ensure exacerbators pay for the risks they cause.

Fiscal caps

Relevant suggestion from the discussion paper:

- *Under the proposed framework, Government and industries would agree to a fiscal cap prior to an incursion whereby contributions are based on their respective willingness and ability to pay in the event of an incursion.*

Submitter comments

Ten submitters commented on fiscal caps. Several submitters supported fiscal caps for industry to ensure they were not “writing a blank cheque” and to trigger a decision on if the response should continue or not.

A number of other comments were made about fiscal caps:

- Fiscal caps should apply to both in-kind and monetary contributions.
- Industry should be able to participate in decision-making even after the fiscal cap is reached, otherwise the cap could hinder effective management.
- Fiscal caps could undermine commitment to achieving eradication because no one is certain that all parties are prepared to “go the distance”.
- Would the Crown have a fiscal cap and what would happen after fiscal caps are reached?
- Parties should consider the merits of a fiscal cap based on the gross value of production versus an arbitrary, affordable fiscal cap set by industry.

Compensation

Relevant suggestion from the discussion paper:

- *Any compensation arrangements different to those provided by the Biosecurity Act should be designed to encourage early reporting and to avoid providing perverse incentives to spread the pest or disease.*

Submitter comments

Seven submitters commented on compensation. Their main suggestions included the following:

- If MAF directs stock to be destroyed, producers should be compensated at the market value prior to the incursion, regardless of whether the animals are diseased or not.
- If stock are compensated at a zero value this undermines incentive to report.
- Compensation should benefit those who report early and mitigate their risk and penalise late reporting and unsubstantiated claims.
- How MAF applies current compensation provisions needs to be made clearer.
- Industries should help identify what losses should be compensated.

Three submitters suggested contracts between MAF and meat processors to pay for financial losses for the duration of market closures. Meat processors report that without a contract they would only give MAF access to processing plants if directed to under the Biosecurity Act. One submitter was concerned that MAF would jeopardise the response by delaying a decision on whether to direct meat processors to make their facilities available.

4.5 ALTERNATIVE OPTIONS

Several submitters suggested alternative options to the proposed framework:

- Reduce biosecurity risk at the border by better educating travellers and increasing fines. Use revenue from fines to intensify mail and sea container screening and run incursion responses.
- Improve the existing legislation for National Pest Management Strategies and use them instead of the agreements described in the discussion paper. These strategies could achieve similar outcomes to the proposed framework.
- MAF should continue to make the decisions for reduction, readiness and response and should commit to responding to all incursions. Formal agreements or contracts with industry would require too many resources to develop, could slow response and compromise impartial decision-making.
- Develop a skilled, mobile rapid response unit for incursion responses.

5 Feedback from Hui

Although MAF did not receive formal submissions from any Māori groups, MAF consulted at four hui and noted the suggestions and issues raised by participants. Comments did not specifically relate to the proposed framework for joint decision-making and resourcing but focused on how MAF engages with Māori on biosecurity in general.

There was concern that the principle of partnership implied by the Treaty of Waitangi was not evident in the way MAF undertakes its work. The biosecurity decision principle used by MAF of “consult affected parties, including Māori”, was given as an example of Māori being added to a process, rather than being viewed as a partner. A view consistently expressed was that Māori have a lot to offer the biosecurity system, including Māori who are passionate about their kaitiaki (guardian) role, matauranga (knowledge of Māori worldview) Māori and extensive networks for information sharing. Māori are seeking to build a strong relationship with MAF but wish it to be based on the principle of partnership.

With this in mind, the consensus view was that Māori need support to actively participate in the biosecurity system. Māori communities have differing levels of capacity and capability to participate, and limited resources available to further develop these. In addition, Māori are experiencing overload as government agencies seek to consult them on a range of significant and increasingly complex issues.

Suggestions were made to address this issue such as:

- government agencies improving the way they collectively consult with Māori;
- MAF providing Māori with a work programme for biosecurity policy, operations, and research and identifying opportunities for Māori to work alongside MAF on these activities; and
- MAF working with Māori to define key issues that are important to Māori for inclusion in a work programme.

6 Other Issues

The submissions raised some concerns that are outside the direct scope of the proposed framework. These included the following:

- The surveillance strategy should be completed earlier than 2009.
- Resources for reduction of risk at the border should be allocated to greatest risks. Airports appear to be over-resourced in comparison with ports (cargo pathway).
- The Hazardous Substances and New Organisms Act 1996 should be amended so that plants are not covered by the Act.
- Frequent re-structures at MAF have resulted in less industry liaisons and consultation groups. It is difficult to know who to contact.
- Industry groups who wish to get response plans in place for specific diseases have found MAF to be unwilling to assist and provide resources.
- MAF does not always consult industry adequately. This has been the case with the detection of the orange fruit borer.
- The equine industry has worked with MAF for a number of years to develop a National Pest Management Strategy for equine influenza but has received little support.
- Beekeepers had many frustrations with seeking compensation during the varroa response on the South Island.
- If MAF wishes to seek resources from industry for incursion responses, then MAF should not promote access to private land (land access debate).

7 Next Steps

The next steps for MAF are to consider and respond to the key issues raised by submitters and prepare advice for the Minister for Biosecurity to take to Cabinet on the proposed framework.

Appendix 1: Definitions

MAF – This has been abbreviated in this document to mean MAF Biosecurity New Zealand; the department of the Ministry of Agriculture and Forestry (MAF) that fulfils the role as lead agency in New Zealand’s biosecurity system.

Reduction – Pre-border and border activities associated with reducing arrival or chance of establishment of risk organisms which impact on the values we wish to protect. These activities include developing Import Health Standards, border inspections and quarantine measures.

Readiness – Preparedness to manage a biosecurity response including surveillance to detect organisms, contingency planning and capability building.

Response – The actions taken immediately before, during or directly after a risk organism has been confirmed where management of the risks posed by that organism is considered appropriate. (This includes investigation of suspect risk organisms, identification of the organism, containment, and initial assessments of its impacts and response options.) A response may also be initiated where the impacts of the risk organism have increased, or new response options become available that makes a response feasible.

Recovery – The co-ordinated efforts and processes to effect the immediate, medium and long-term regeneration of a community following an emergency or biosecurity event. Recovery efforts may begin immediately after the impact of the event and work in parallel with the response phase.

Appendix 2: Submitters

Submitter	Key issues
Aquaculture New Zealand	1, 2, 3, 4
Dairy Companies Association of New Zealand (represents Fonterra Co-operative Dairy Group, Westland Milk Products, Tatua Co-operative Dairy Company Ltd, New Zealand Dairy Foods; a subsidiary of Goodman Fielder, Fonterra Brands NZ, Open Country Cheese and Gisborne Milk Co-operative)	1, 2, 3, 4
Deer Industry New Zealand	1, 2, 3, 4
Environment Bay of Plenty Regional Council	2, 3, 4
Environment Southland (Southland Regional Council)	3
Environmental Risk Management Authority New Zealand (a Crown entity)	3
Federated Farmers of New Zealand (represents majority of farmers and other rural businesses, including dairy, meat and fibre, grain and seeds, bees, goats)	1, 2, 3, 4
Futures Thinking Aotearoa (The New Zealand Futures Trust, a non-profit organisation)	1
Greenlea Premier Meats Limited	1, 2
Hawke's Bay Fruitgrowers' Association	2, 3
Horticulture New Zealand (represents 7,000 commercial fruit, vegetable, berryfruit and olive growers)	2, 3, 4, 5
Hosking Forestry Limited	2
Landcare Research	1,2,3,4
Marine Farming Association (represents marine farmers in the upper South Island). They support Aquaculture New Zealand's and New Zealand Seafood Industry Council Limited's submissions.	2,3,4
Meat & Wool New Zealand (represents producers of wool and beef, sheep and goat meat)	1,2,3,4
Meat Industry Association of New Zealand Incorporated (represents sheep and beef meat processors, marketers and exporters)	1,2,3,4
National Beekeepers' Association of New Zealand	2,3,4
National Beekeepers Association of New Zealand and Bee Industry Group Federated Farmers of New Zealand (represents commercial beekeepers and hobbyist beekeepers) (= joint submission)	2,3,4
National Centre for Aquatic Biodiversity and Biosecurity (part of the National Institute of Water and Atmosphere, a Crown entity)	4
Nursery & Garden Industry of New Zealand (represents over 500 growers, retailers and suppliers of dry and green goods, fertilisers, etc.)	1,2,3
New Zealand Citrus Growers Incorporated (also supports Horticulture New Zealand's submission)	2,3,4
New Zealand Equine Health Association Incorporated	1,2,3,4
New Zealand Forest Owners Association (a non-government organisation representing the majority of forest owners in New Zealand)	1,2,3,4,5
New Zealand Kiwifruit Growers Incorporated (represents the interests of 2,754 kiwifruit growers)	1,2,3,4,5
New Zealand Pork Industry Board	2,3
New Zealand Seafood Industry Council Limited (represents quota owners, marine farmers, fishers, processors, exporters, and retailers)	1,2,3,4
New Zealand Veterinary Association (represents approximately 80 percent of the 2,200 veterinarians registered in New Zealand)	1,2,3,4,5
New Zealand Winegrowers (represents the interests of all grape growers and winemakers)	2,3,4
Pacific Institute of Resource Management	2,3,4,5
Pipfruit New Zealand Incorporated (represents apple and pear producers, packers and marketers)	2,4
Poultry Industry Association of New Zealand Inc, Egg Producers Federation Inc, New Zealand Feed Manufacturers Association (joint submission)	1,2,3
Ruapehu Federated Farmers	2,3,4,5
Taranaki Regional Council	1,2,3,4
Timberlands Limited	2,3

Appendix 3: Summary of the proposed framework

(As presented in the discussion paper, *Joint Decision-Making and Resourcing for Readiness and IncurSION Responses*, pp. 20, 21)

Suggestions – Direct beneficiary pays

- The proposed framework is based on the principle that the direct beneficiaries contribute to the direct costs of a service, as they are well placed to assess the benefits of the service, determine if it should be provided, and influence cost effective provision of the service.
- Direct beneficiaries can include industries and the Crown.
- Where the benefits of surveillance, contingency planning, or response relate to the wider public good, such as human health or the environment, or when it is not possible to identify direct beneficiaries, the Crown should manage and fund any such work according to its priorities and available resources.
- In recognising that border measures are intended to target risk creators, the Crown will continue to enforce controls at the border and target specific exacerbators where they can be identified.

Suggestions – Biosecurity system functions

- The proposed framework should increase certainty around strategy and tactics and retain flexibility around operational decisions.
- The framework should identify functions requiring certainty and specify who is responsible for carrying out these functions and how they would be carried out.

Suggestion – A systems and organism specific approach

- The new framework should be generic and flexible enough to respond to new or unanticipated pests and diseases while including contingency plans for specific pests and diseases.

Suggestions – Responsibilities

- The framework would primarily focus on Government and industry responsibilities for functions that are part of readiness and response.
- Under the framework MAF would retain its leadership role in incurSION response.
- MAF would fund activities early on in the response until the point in time where there is adequate certainty that the pest or disease is likely to be of interest to industry.
- Readiness is an area where Government and industry collaboration is desirable and further work is needed to determine specifically how this would work.
- The framework would help improve effectiveness of the entire biosecurity system by requiring Government and industries to make a commitment about responsibilities for reduction and recovery.

Suggestions – Joint decision-making

Under the framework:

- Industries and Government would make strategic decisions about readiness and response jointly through a Decision-Making Committee.
- The Decision-Making Committee would be informed by MAF and industry representatives on joint Readiness and Response Committees.
- During incursion responses, affected industries would work with MAF to manage the response. Government and industry would also collaborate on operational matters.
- A National Co-ordinating Body could be formed to create more effective links with MAF and industry in delivering the proposed framework.

Suggestions – Link between decision-making and resourcing

- It is MAF's view that those contributing resources should participate in key decision-making, while those not contributing resources should be consulted.
- Industries should undertake further thinking about their stance on the relationship between decision-making and resourcing rights.

Suggestions – Joint resourcing

- Under the proposed framework, cost sharing would apply only to the direct and additional costs incurred during activities undertaken under an agreement.
- The proportion of public benefit relative to private benefit of an activity would determine the cost split between Government and industries.
- To determine relative public and private benefits, the impacts of the pest or disease and the extent to which these impacts would be experienced by the public and industries could be evaluated.
- Under the proposed framework, Government and industries would agree to a fiscal cap prior to an incursion whereby contributions are based on their respective willingness and ability to pay in the event of an incursion.
- Further thinking is needed on the specifics of how resource sharing for readiness should work.

Suggestions – Developing an agreement

- A means should be identified for implementing the framework.
- Either a legally binding contract or a “good faith” agreement, or some combination of the two, could be created between Government and interested industries.
- Agreements could either cover individual industry needs, multiple industries, or an entire sector. The Working Group is not signalling a preference towards a single agreement or a series of agreements, but is interested to hear your views on what would suit your industry.
- Any compensation arrangements different to those provided by the Act should be designed to encourage early reporting and to avoid providing perverse incentives to spread the pest or disease.