

12 June 2007

Dear Stakeholder

Thank you again for your feedback on the Ministry of Agriculture and Forestry (MAF) import risk analysis for vehicles and machinery. This letter briefly summarises the feedback received and outlines the process from here.

The risk analysis examined the biosecurity risks of importing new and used vehicles and machinery into New Zealand, and proposed a variety of measures to be considered for managing these risks. The risk analysis forms the first stage in revising import health standards for vehicles and machinery. It did not cover the cost or logistical issues associated with implementing any measures identified, which were issues raised by many stakeholders in submissions. Final decisions on risk management measures for vehicles and machinery have not been made and options recommended in the risk analysis are still being worked through. MAF will continue to seek advice on alternative options that are consistent with the objective of reducing the biosecurity risks associated with the vehicle and machinery pathway to an acceptable level in the most cost effective manner.

MAF received 24 submissions on the risk analysis from a wide range of interests, including exporting companies, treatment providers, industry associations, port companies, shipping companies, research institutes, and other government departments.

Brief summary of feedback so far

Feedback on the risk analysis

- Some submitters pointed out minor errors of fact and made helpful clarifications.
- Several submitters considered that further research to determine the actual risk on the pathway should be undertaken. One submitter claimed the risk analysis provides insufficient scientific evidence to support the proposed interventions.
- There were mixed views on the proposed measures for both used and new vehicles. Some supported the package proposed for new vehicles while others considered it insufficient to manage the risk. The proposed package of measures for used vehicles is supported by some and strongly opposed by others.
- Many of you expressed a preference for managing biosecurity risk offshore. The concern was raised by one submitter as to whether offshore risk management would provide the same level of confidence.
- Some submitters felt that MAF has already made a decision on the measures to be included in revised import health standards and that this has constrained the proper consideration of alternatives.
- One submitter believed MAF should have notified the World Trade Organisation of their intentions and engaged in intergovernmental discussions prior to the release of the risk analysis.



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- One submitter suggested that the risk analysis should have been restricted to vehicles imported from Japan so that more targeted measures could be developed.
- Some stakeholders oppose any increased use of methyl bromide due to its environmental impacts.
- Some submitters suggested alternative treatments that may achieve an equivalent outcome to those proposed in the risk analysis. Many of you said that alternative measures that achieve an equivalent outcome should be acceptable under any new regime.
- Concern was raised over a potential conflict of interest from the inclusion of Gordon Hosking as one of 12 external reviewers of the risk analysis.

Feedback on cost and logistical issues

- Most submitters agreed that any proposed package of measures for vehicles or machinery should be subject to cost benefit analysis and should not disrupt trade.
- Some submitters indicated that the proposed package of measures for used vehicles is achievable, while others considered it would be costly and trade restrictive compared with the current regime.
- Some submitters raised concerns around the time and wharf space required to treat vehicles under a mandatory treatment regime.

Feedback on other matters

- One submitter expressed concern that if the proposed mandatory treatment regime is implemented, MAF will consistently apply new interventions across other risk pathways with similar or greater risk for the hazard organisms concerned.
- Another submitter highlighted that the timing and cumulative effect of Ministry of Transport vehicle emissions standards and the proposed biosecurity measures will have significant impacts on the industry. These requirements will be in addition to existing safety inspection requirements. The submitter recommended that government work together to ensure that industry will not be subject to more cost than is necessary and that trade will not be restricted.

The process from here

A detailed review of submissions on the risk analysis and how they have been taken into account will be made available to you by 30 June 2007.

The cost benefit analysis undertaken by the New Zealand Institute of Economic Research is now complete. The analysis concentrates on the direct costs for all those involved in the trade of used vehicles, including border regulators, importers, ports, and shipping companies. It includes the costs of different processes in options similar to those identified in the risk analysis, and also some delay costs. Benefits in the analysis come primarily from the cost of pest incursions avoided by greater efficacy of the new proposed measures, and from savings in replaced existing border checking processes. The cost benefit analysis is available on the MAF website at:

<http://www.biosecurity.govt.nz/commercial-imports/other-imports/introduction>

Non-Biological Items, Vehicles and Machinery

Please contact Barry Wards at the email address below if you would like a hardcopy.

There is insufficient information available for the cost benefit analysis to include all logistical impacts of the different processes in ports around New Zealand. MAF is currently comparing the logistics of the vehicle and machinery supply chains under the current regime to alternative risk management regimes. Further work will also involve assessing the health, environmental, and social impacts of alternative risk management regimes.

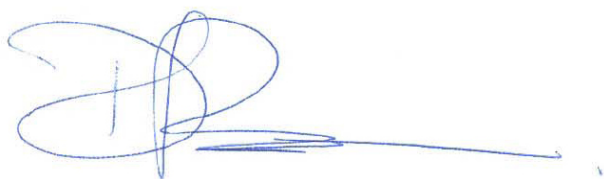
Your continued input is essential to forming workable and relevant import health standards. It is vital that we listen, seek advice, and establish a two-way exchange of information that informs the decision making process. We suggest establishing an industry advisory group as a liaising body to work through issues. Feedback on this idea should be sent to Barry Wards by 20 June 2007 at the email contact address below. We may contact you before this time in anticipation of establishing such a group.

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We anticipate that draft import health standards for vehicles and machinery will be available for public consultation in the second half of 2007 and notified to the World Trade Organisation subsequent to this. The draft import health standards will be accompanied by a document which will lay out options considered and what we consider are the economic, health, environmental and social impacts of each option. A decision on revised import health standards will be made after we have considered all feedback from consultation.

MAF will consider alternative methods of dealing with the biosecurity risks associated with vehicles on an individual basis if the proposed system can be demonstrated to provide an equivalent standard of biosecurity efficacy to any new import health standard adopted. A guide that describes the requirements for submission and evaluation of the efficacy data, and other relevant information on equivalent risk management measures, will be made available when the import health standards are finalised.

Regards



Debbie Pearson
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