



The Government Industry Agreement for joint decision- making and cost sharing for readiness and response:

Introduction to the Deed of Agreement v3.0

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Te Manatū Ahuwhenua, Ngāherehere



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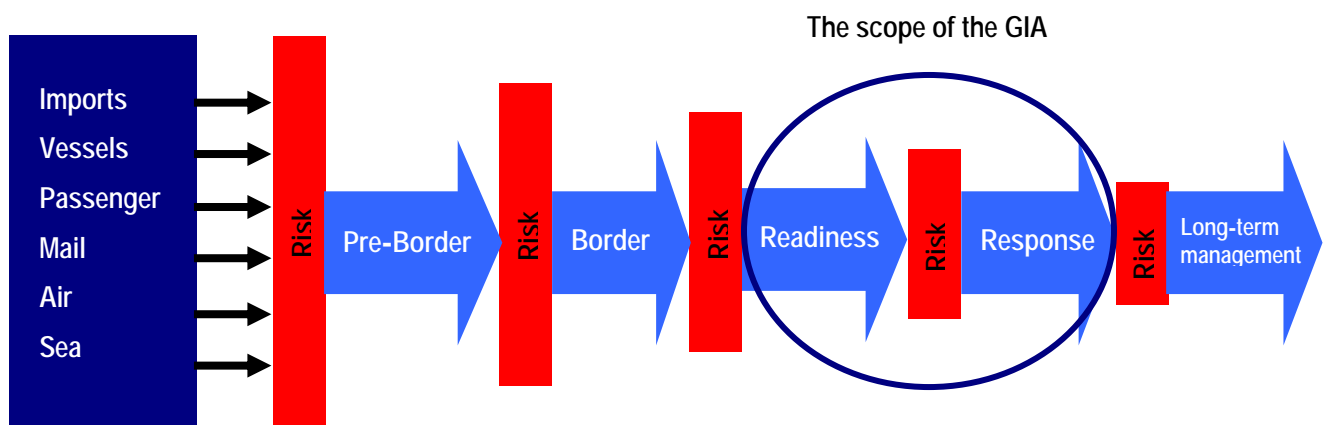
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Background

The Ministry of Agriculture and Forestry (MAF) is working to combine resources and initiative with industry groups in order to deal with biosecurity threats that concern the primary production sector. As part of this process, it has been proposed that willing primary industries and Government sign up to a “Government Industry Agreement” for joint decision-making and cost sharing regarding biosecurity readiness and response activities.

The proposed Government Industry Agreement will apply to biosecurity readiness and response activities that:

- provide benefits to industry (activities that provide purely public benefits are out of scope); and
- relate to pests and diseases found in New Zealand (not to those intercepted at the border).



Industries that sign up to the agreement will be involved in decision-making regarding biosecurity readiness and response activities that they contribute to financially.

Signatories to the agreement will work together to target their priority pests and diseases. Priorities will be determined based on:

- the likelihood of an organism arriving in New Zealand;
- the feasibility of controlling the organism; and
- the potential impacts of the organism.

The Government and primary industries have recognised that substantial advantages can be gained from adopting a collaborative approach to biosecurity. Under the proposed agreement, the Government will be able to target its investment in things that are important to the participating industry. Participating industries will be able to have an equal say in their biosecurity priorities and greater certainty around when and how biosecurity readiness and response actions will be taken.

The Government Industry Agreement will consist of a number of components. A single overlying Deed will be signed by and apply to all signatories. The Deed will set the ground rules for joint decision-making and cost sharing and reflect the outputs of a series of design workshops and consultation processes with industry.

Underlying Operational Agreements will enable MAF and each industry organisation to:

- agree which pests and diseases are a priority;
- jointly design and oversee readiness programmes and activities and any responses;
- record cost-shares for each pest or disease; and
- confirm the maximum amount that industries are willing to spend in a response (i.e. fiscal caps).

The mechanics of the GIA model are described by processes, procedures and tools. These outline the agreed order of events, who is responsible, and provide helpful templates, decision tools and guidelines. They cover areas such as:

- Signing the agreement.
- Developing a high level plan for readiness.
- Determining cost shares.

MAF will maintain free of charge a number of generic processes and tools that are available to guide GIA activities. The most important of these is the ‘Response system’ that provides processes, standards and other resources for leading and managing a biosecurity response. The response model is being updated to reflect the much greater role industry plays in response under GIA.

Cabinet has agreed that the Deed will contain interim arrangements to ease the transition for industry signatories. Joint response activities under the Deed will not commence until three years after the Deed is ready to sign, allowing the working relationships to establish and settle while the signatories work jointly on readiness activities. Cost sharing will be implemented in stages over a six year period, such that industry signatories will not pay their full share of readiness costs until 2018, and response costs until 2021. In addition, MAF will fund all costs of the secretariat for the Government Industry Agreement for six years.

Before signing the Deed, an industry organisation will need to demonstrate that they:

- have the mandate to represent the producers in their sector;
- have a funding mechanism in place to enable their share of costs to be met; and
- can meet baseline (non cost shared) commitments.

In MAF’s view, the key benefits of the Government Industry Agreement will be:

- improved priority setting to ensure the best use of limited resources;
- reduced harm caused by incursions through improved readiness;
- greater capability and capacity for responses;
- improved cost effectiveness of readiness and response; and
- consistent and fair treatment of all industries that sign up to the agreement.

Feedback that MAF has received from industries indicates that the key benefits they anticipate include:

- having greater control and decision-making power over responses;

- an opportunity to have Government co-invest in priority readiness areas; and
- an increased likelihood of success for a pre-agreed response.

PRINCIPLES

The agreement is framed to deliver to the following overarching principles:

- MAF and industry will work in partnership to make joint decisions that improve biosecurity outcomes, in the spirit of good will and co-operation.
- Signatories will represent those best able to make changes to reduce biosecurity risks or improve biosecurity efficiency.
- All processes and decisions will be transparent and consistent for all parties.
- Priorities will be clearly identified and agreed for action to ensure the best use of limited resources. Managing risks and reducing impacts of risk organisms will form the basis of identifying priority work.
- Industry must be paying a share of costs in order to have decision making rights.
- The proportion of public benefit relative to industry benefit will determine the cost shares for readiness and response.
- All signatories will commit to a level of baseline capability that represents the minimum level of commitment and competency required to participate in the agreement. These baseline commitments will not be cost shared.

Key Elements of the Deed

The following sections provide some detail about the key clauses of the Deed.

1 JOINING THE GOVERNMENT INDUSTRY AGREEMENT

This clause outlines the process by which industry signatories, who are eligible to become parties to the Deed as set out in the Biosecurity Law Reform Bill 2010, can sign the Deed.

2 STATEMENT OF INTENT

2.1 Term of the Deed

The Deed will commence when signed by MAF and the initial industry signatories. It will continue until all signatories agree to terminate the Deed.

2.2 Scope of the Deed

The Deed applies to readiness and response activities that:

- provide a proportion of benefit to a sector of producers;
- relate to unwanted organisms that are capable of being eradicated or contained and are either:
 - new to New Zealand (i.e. recently detected in an area and expected to survive for the immediate future); or
 - established in New Zealand (i.e. previously known in an area and likely to remain there for the foreseeable future) and:
 - having new harmful effects, including harmful effects newly attributed to the unwanted organism; or
 - for which there is a new management option, including a management option that is newly economically viable; and
- in relation to response activities, are performed after the third anniversary of the date the GIA is ready to be signed.

The following activities are not in scope:

- helping individuals and communities recover from an adverse climatic or natural disaster event;
- the long-term management of Unwanted Organisms; or
- risk reduction measures at, and before, the New Zealand border.

2.3 Objectives of the Government Industry Agreement

The Government Industry Agreement Objectives are as follows:

- (a) **To reduce harm.** To reduce the harm that occurs when unwanted organisms enter New Zealand.
- (b) **To be ready.** To prepare for responses to unwanted organisms that may enter New Zealand.

- (c) **To respond.** To investigate, control, eradicate or contain unwanted organisms that have entered New Zealand.
- (d) **To prioritise.** To focus limited resources on response and readiness activities with the greatest net benefit.
- (e) **To collaborate.** To ensure that New Zealand industries and Government collaborate effectively towards the achievement of these objectives.

2.4 Signatory conduct

This clause outlines how signatories are expected to conduct themselves in regard to the Government Industry Agreement.

3 GOVERNANCE AND REPRESENTATIVES

3.1 Structure

The Government Industry Agreement will be overseen by the Governance Group made up of signatory representatives – each signatory may have one representative on the Governance Group, or multiple signatories may choose to be represented by the same person. It is proposed that the Chair of the Governance Group will be appointed by the signatories, and the term of each Chair would last for two years.

The Deed will include terms of reference for the Governance Group in one of its schedules.

3.2 Decision making

Certain decisions relating to the operation of the Government Industry Agreement are made by the Governance Group. In addition, decisions on specific readiness activities may be made by individual Readiness Governance Teams and decisions on specific response activities may be made by individual Response Strategic Leadership Teams.

The decisions of these “decision-making bodies” should be timely and well-informed, and must be made by consensus. A consensus means that no decision maker, who is present when a decision is being made, votes against the decision. A consensus is not affected if some who are entitled to be present are absent, or if some who are present abstain from voting.

Jointly-made decisions include agreeing on:

- goals, strategy, outputs and budget for each joint readiness activity;
- contingency and operational response plans (including agreement on a response option, its objectives, goals, strategy for implementation and, for operational plans, a budget); and
- cost sharing based on the proportion of public benefit relative to industry benefit.

All signatories affected by a decision will have equal decision-making rights, regardless of the proportion of costs they are bearing.

3.3 Representatives

This clause outlines the requirements for, and processes for appointing and replacing signatory representatives.

Signatories should put forward representatives who have authority to make decisions on behalf of their industry members. Industry signatories may also refer non-urgent strategic decisions (such as readiness decisions) to their boards for ratification.

3.4 Secretariat

The Secretariat is the support body for the Governance Group and is comprised of a Government Industry Agreement Manager and various support staff. The Deed outlines their responsibilities, which include managing processes for signing the Deed, facilitating collaboration between signatories on readiness activities, and managing all invoicing and financial record keeping for the Government Industry Agreement. The Secretariat will be employed and accommodated by MAF but will report directly to the Governance Group.

4 ACCORDS

It is proposed that an Accord will be used in the situation where more than one organisation representing the same Sector of Producers would like to sign the Government Industry Agreement, for example a grower representative organisation and an organisation representing processors. Only one signatory may represent one Sector of Producers under the Government Industry Agreement. The Accords will detail who will represent the organisations, how their activities will be funded in order to ensure that producers are not levied twice for the same service, and how they will ensure there is a single agreed view for the sector that is represented at the decision making table.

5 BASELINE

Baseline commitments are functions that each signatory party will agree to carry out to maintain their generic biosecurity capability and capacity. These commitments are not subject to cost sharing and do not count towards a signatory's share of costs. It is proposed that baseline commitments will be monitored and reported on by the Secretariat. Baseline commitments will ensure that signatories:

- maintain a minimum level of biosecurity capability and capacity required for joint readiness and response activities;
- contribute towards activities required for the Deed to function effectively; and
- understand what other signatories are contributing as baseline commitments.

For example all signatories must provide a decision maker for readiness and response, industry signatories will report suspect pests and diseases to the 0800 hotline promptly, and MAF will maintain the Unwanted Organisms register.

6 COST SHARE AGREEMENTS

MAF and industry signatories will jointly identify the pests and diseases that are the highest priority for joint readiness and response. Priority will be based on: the likelihood of

introduction to New Zealand; expected impact on industry and the New Zealand economy, human health, environment, social and cultural wellbeing; and the feasibility and cost effectiveness of interventions.

Cost shares are indicative of the percentage of benefits that industry and the public would receive by avoiding a biosecurity incursion. For example, if Organism X could impact human health and two industries, the cost shares might be: 50% Government and 50% Industry (which would be shared between Industry A and Industry B). The actual allocation of costs for an activity are calculated from the cost shares, but will vary depending on the number of industries in the response, whether each industry is a cost sharing signatory and the activity involved. The Deed includes detailed formulas for calculating “cost shares” and “cost allocations”. The “cost share” calculations are summarised below.

6.1 The cost share categorisation process

The proportion of public benefit relative to industry benefit of any readiness activity or response will determine the cost shares. Where two or more industries benefit from a readiness activity or response the industry portion of costs will be calculated according to the total industry benefits expected to be received.

The calculation of benefits for cost categorisation will be based on the avoidance of negative impacts of an organism that has become established and for which appropriate long term management controls are in place. Cost categorisation will not be revisited based on the actual response scenario.

- MAF and industry signatories will jointly consider the benefits and use a simple ratio of benefits to determine the appropriate cost share. Cost shares fit into broad buckets. The proposed broad buckets are as follows:

Government %	Industry %	
100	0	Which by definition then falls outside the scope of GIA
90	10	
70	30	
50	50	Government has committed to funding a minimum of 50% of readiness and response activities

- It is recognised that there is always some public benefit and on this basis the option of 100% industry cost share has not been included.
- The process to agree cost shares is time bound and the Deed details an escalation process in the event that agreement can not be reached within the agreed time frame. The first step is to seek advice from an independent adviser, and the final step is for an Adjudicator to make a final and binding decision on the cost share.

Priority pests and diseases will go through the cost share categorisation process before any jointly agreed readiness action is undertaken.

It is proposed that for responses to organisms that have not been cost categorised, costs will be shared 50 percent by MAF, 50 percent by industry as a default. In these cases the cost share will be determined as soon as is practicable after the initiation of the response. Once a cost share has been agreed, this will apply retrospectively to the point at which cost sharing began.

6.2 Modifying cost shares

Where possible, one cost share will be set per risk organism and this will be used to calculate the cost allocations for all readiness activities and responses for that organism.

Cost shares can only be modified when new scientific information is found that changes the distribution of benefits, or when all cost sharing signatories agree.

6.3 Fiscal caps

A fiscal cap is a contribution limit per signatory that applies to any response that is initiated under the Deed. If a fiscal cap is reached, then the signatory must decide whether to withdraw from joint decision-making and cost sharing, or to exceed the cap.

The purpose of fiscal caps is to ensure that signatories do not invest more than they wish to or can afford. The fiscal cap may only be exceeded with the permission of the signatory to whom the cap applies.

Signatories may set different caps for each priority pest or one fiscal cap for all responses. Fiscal caps are not set for readiness activities because the costs of readiness activities are agreed up front.

Industry signatories will (subject to the agreement of the Director General, given in accordance with the Biosecurity Act 1993) be able to vary the compensation (set out in section 162A of the Biosecurity Act 1993) that will apply to losses caused by any actions carried out under the Government Industry Agreement. It is proposed that the Director General should only be able to agree to vary the compensation arrangements if satisfied that the alternative arrangements are not likely to:

- Discourage early reporting of new unwanted organisms; or
- Reduce the level of cooperation with an incursion response.

7 READINESS

Readiness activities will be planned in accordance with MAF and industry business planning timeframes. Proposals for readiness activities that both MAF and industry want to pursue will be worked up in detail jointly and recorded in Readiness Operational Agreements that sit underneath the Deed.

Each Readiness Operational Agreement will record the details of the readiness activity including the objectives and deliverables, who is responsible for those deliverables, budgets, timetables, any review points and the completion date.

8 RESPONSE

MAF will continue to investigate reports of suspect “New to New Zealand” pests and diseases as reported to the 0800 hotline as a baseline commitment. MAF will notify industry signatories early on of any significant investigations and keep them informed of the progress of the investigation. Where it is deemed that further action is warranted to mitigate the risk, MAF and industry signatories will decide whether or not to jointly respond under the Government Industry Agreement.

MAF and industry personnel will make up the decision making team and the response team. The response team is responsible for managing the response in accordance with the directions of the decision makers, including:

- planning and analysing response options;
- researching and collating information needed for response decision making; and
- delivering field operations and laboratory work.

9 COST ALLOCATIONS

Cost Allocations are the percentage of costs of activities that each signatory is responsible for. For example, a Cost Allocation for a surveillance programme that targets multiple pests may differ from the specific cost shares for the individual pests.

For the first six years of the Deed coming into effect, MAF will pay all Secretariat costs (i.e. MAF's Cost Allocation for the Secretariat is 100% for those first six years). After this time, 50% of the Secretariat costs will be borne by MAF, with the remainder being split between industry signatories on the basis of industry value.

The Secretariat will keep up to date records of payable costs for each Signatory, including those for readiness and response, and Secretariat costs.

9.1 Non-signatory costs

In some cases an industry that is not a signatory to the Government Industry Agreement may receive a significant benefit from a response. This could lead to concerns about non-signatory industries 'free-riding'. In such circumstances, MAF may recover costs from these free-riders under the provisions of the Biosecurity Act.

9.2 Cost recovery from exacerbators¹

Where it can be established that an exacerbator has breached the Biosecurity Act and caused readiness and response costs to be incurred, then MAF may seek to recover those costs.

It should be noted that it is unlikely to be practical to pursue exacerbators in many cases. This is because the actual source of incursions is usually uncertain. Even if an individual party is identified, they may not have the resources to pay the full costs. MAF does however undertake to pursue exacerbators who have breached the legislation, whenever feasible.

9.3 Industry funding mechanisms

It is proposed that readiness and response costs that a signatory industry is liable to pay will either be recovered from all industry producers through Biosecurity Act levy order, or the industry signatories may pay their share of costs from other funding sources (for example, reserve funds or funds raised by a levy under the Commodity Levies Act 1990). If a Biosecurity Act levy is the agreed mechanism for responses, a levy order will be put in place before joint responses start under the Deed. The expectation is that a Biosecurity Act levy for an industry will be zero rated until required to fund a response.

¹ 'Exacerbators' refers to people or parties who caused or increased the harm from the incursion of an Unwanted Organism.

9.4 Delayed payment arrangements

Where an industry does not have the funds to meet its payment obligations up-front, a delayed payment arrangement can be agreed (for example where monies are recovered through a levy). Government expects that delayed payment arrangements will be for periods of no more than ten years.

10 REVIEWS

The Governance Group will be responsible for ensuring that the Government Industry Agreement is meeting the stated objectives. The Governance Group will receive annual reports from the Secretariat covering readiness activities planned, completed and underway, and Secretariat financial and activity reports.

Every five years, the Government Industry Agreement will be formally reviewed by the Governance Group.

11 CHANGE EVENTS

This clause outlines the process for notifying all Signatories of any significant events that impact the Government Industry Agreement and the process for managing that event.

12 WITHDRAWAL, REPLACEMENT AND REMOVAL

12.1 Process to withdraw from the Deed

This clause will also outline the process steps required. Any industry party may withdraw from the Deed. Withdrawing parties will be liable for prior decisions that have led to on-going commitments.

12.2 Removal of an industry party

An industry party that is proposing either to cease to exist or to change its structure so that it may no longer represent its industry, will be required to withdraw from the Deed.

Under some circumstances, an industry party may fail to comply with the terms of the Deed. It is proposed that the Director General may remove such an industry party from participating in the Deed.

12.3 Replacement of an industry party

An industry party that is withdrawing from the Deed might choose to nominate a body capable of representing the industry as a “Replacement Organisation”.

The Replacement Organisation would then apply to become a party to the Deed to represent the industry. It would assume the liabilities and obligations of the previous industry party.

13 CONFIDENTIALITY

The Deed requires confidential information, such as personal or commercially sensitive information, that is acquired in connection with the Government Industry Agreement to be kept confidential and not disclosed to any third parties unless certain conditions are met.

Some information is specified as able to be released to the public, such as lists of signatories and the terms of the Deed and supporting processes.

14 AUDITS

This clause outlines the auditing procedures under the Deed. It includes:

- an annual audit of the Secretariat's financial records; and
- an ability to audit the effectiveness and efficiency of activities; or
- an ability to audit a party's compliance with the Government Industry Agreement.

15 VARIATIONS

This clause outlines how variations to the Government Industry Agreement may be made.

16 DISPUTE RESOLUTION

This clause outlines how disputes will be resolved under the Government Industry Agreement, detailing the steps to enter mediation, followed by arbitration.

17 PERFORMANCE FAILURES

This clause specifies how performance failures will be addressed, including how liability between the Signatories is limited.

18 SCHEDULES

The Schedules contain the details of how cost shares and cost allocations are determined, what baseline commitments are, representative roles and responsibilities, templates for forms (e.g. Accession Deed, Form of Confidentiality), Terms of Reference for Decision Making Bodies, and the Government Industry Agreement policies and procedures.

Frequently Asked Questions

Why not have joint decision-making without cost sharing?

While this would have partially helped with planning and prioritising – without cost sharing it would be difficult to get accurate signals on industries' priorities and whether addressing those priorities would actually be worthwhile. Sharing costs will give industry strong incentives to identify readiness activities that will best protect them and to decide what risk organisms should be a priority for a response.

There is also the need to recognise that, where significant beneficiaries from biosecurity activities can be clearly identified, it is fair to expect those beneficiaries to contribute directly towards them. With this expectation, comes the right to make decisions about when and how those activities are undertaken.

Are GIAs in place anywhere else?

Australia has led the way in implementing this collaborative approach between industry and government.

The European Union is also looking at developing efficient cost and responsibility sharing schemes as a key part of establishing a modern animal health framework, as set out in the EU's Animal Health Strategy (2007).

The UK Government has recently undertaken public consultation on what form such arrangements might take and is planning to bring forward a draft Animal Health Bill which would establish a new independent body for animal health in England early in 2010.

In New Zealand, some industries already make significant contributions to readiness and response. For example, the deer, forestry, poultry and avocado industries invest in surveillance programmes to protect their industries and maintain market access. The bee industry made significant in-kind contributions during the varroa response.

Shouldn't government fully fund this?

If the government both funds and makes all the decisions on biosecurity activities, it can be difficult to get a realistic picture of the real biosecurity priorities for various industries. Being the primary funder of both preparedness and response, MAF often gets signals from industries that absolutely everything is a top priority. Because of this unclear picture of true biosecurity needs, the government may be spending money addressing risks that are not really priorities.

A government-industry agreement would enable MAF to put joint decision-making arrangements in place and apply cost sharing fairly and consistently across all industries rather than the current case-by-case approach.

Why should industry pay when pests get through the border?

Ensuring we have an effective biosecurity system is a joint effort. It is critical that all New Zealanders – industries, individuals, government and other organisations – participate and take responsibility for risks they create or are best placed to manage.

Zero risk at the border is unattainable. Trade is a two-way street, and to gain access to export markets we need to give access to our market. Our aim is to allow safe trade to continue by putting measures in place that manage the risk to acceptable levels. As with every other country, it is inevitable that some incursions of risk organisms will occur.

The government believes it reasonable that industries should contribute to mitigating the biosecurity risks they face, as they would other business risks. If industries share costs and decisions then this will lead to better priority setting and more efficient and effective responses.

Shouldn't importers contribute to the cost of readiness and response?

Importers contribute between \$80 and \$125 million annually to the cost of biosecurity management in New Zealand through levies and compliance and clearance costs. The Sanitary & Phytosanitary (SPS) Agreement sets restrictions on import levies such that they should be no higher than the actual cost of the inspection and clearance services provided by MAF, and that they are equitable in relation to like domestic goods.

While MAF is confident that importers' financial contribution is fair and reasonable, we consider importers to be best placed to further improve border biosecurity by taking more responsibility to reduce biosecurity risk. Amendments to be made to the Biosecurity Act 1993 will clarify the role of importers in reducing biosecurity risks and put in place measures to further reduce residual risk from the border. In particular, those who deliberately and/or repeatedly import non-compliant goods will face additional compliance costs due to more severe audit schedules and increased use of prosecutions.

How can industry contribute to MAF's border management decisions?

Industry contributes to MAF's border management decisions through participation in public consultation. They are also invited to make submissions on the Risk Analyses and Import Health Standards produced by MAF.

MAF is working to improve and streamline the way we work with stakeholders particularly during the development phase of Import Health Standards. Instead of being consulted when a standard has been drafted, in future stakeholders will be engaged earlier in the process, and will continue to be engaged throughout the development of the draft standard. This will allow us to address stakeholder concerns earlier in the import health standard development process which will limit the number of new stakeholder issues that surface during formal consultation processes. It is also hoped that this new approach will reduce the number of challenges and litigation regarding import health standard decisions.

These changes will mean importers and domestic producers have greater input, and see the decision-making process and its outcomes as fair.

How is mandate established and how often does it have to be proven?

- Mandate is established by satisfying the Director-General MAF that the organisation adequately represents industry participants. Matters that will be taken into account include:
- whether the greater proportion of producers are members of the industry organisation;
- whether all producers are entitled to become members of the industry organisation;
- whether the organisation represents the full range of producers within that industry; and
- the governance arrangements of the industry organisation.

Changes that may affect mandate must be notified. Ongoing assurance that mandate criteria continue to be met will form part of the baseline audit.

Can you still sign up to GIA if your industry body represents only 50% of the industry?

Industries must be able to satisfy the Director-General MAF that they have the mandate to represent industry participants. This will involve industry undertaking to growing connections within their own industry and organising themselves so they can speak with a unified voice.

For groups having difficulty obtaining industry wide mandate they can:

1. limit mandate to a smaller sector of producers;
2. canvas all industry participants re joining forces through the levy process;
3. join together as industry groups to form a larger umbrella organisation.

Can plant or animal product processing industries sign up to GIA?

A processing industry may be eligible to sign up to GIA if they can demonstrate that they are best placed to reduce biosecurity risks or improve biosecurity efficiency in their operation (e.g. take measures to prevent spread of diseases prior to or after slaughter); and their participation does not mean that growers/producers are charged twice for the same thing. They must also be able to demonstrate that they have mandate from their members and be eligible to sign.

Where it is appropriate for two or more organisations to be involved on behalf of one sector of producers, an accord will be used to document the agreement between those organisations. Accords will include details such as how the organisations will come together to make decisions on behalf of their sector, who will represent those organisations in decision making and other GIA discussions, and how their funding obligations will be met while ensuring producers do not pay twice.

Can you add additional priority pests to the list after the pest/disease workshops?

Yes – as priorities change, these changes can be reflected in the operational agreements that support the Deed.

If a pest arrives that is not on the priority list can this still be treated under GIA?

Yes. Even if a pest is not on the list, affected signatories will still be invited to the response decision table.

What happens if a consensus decision cannot be reached?

Consensus means that decision makers must agree on a collective decision. This is an essential part of the model and all efforts will be made to ensure that a consensus decision is reached. Some parties may not prefer the decision, but after discussion and debate within the time constraints, all parties will stand behind that decision.

In some exceptional situations the parties may not be able to reach a consensus decision. In this case an affected signatory may withdraw from joint decision making and cost sharing, but withdrawal should only be regarded as a last resort and withdrawing parties will be liable for decisions already made that have led to ongoing commitments. The Australians already have a similar system to GIA in place, and their experience is that peer pressure limits the ‘game playing’ and results in a consensus decision being reached.

If an industry does not sign GIA, and government decides to invoke mandatory cost recovery, who will costs be recovered from?

A non-signatory industry may receive a significant benefit from a response and in this case it may be appropriate to recover a share of the response costs from those industry members.

Costs would be recovered from individual growers and producers by means of a biosecurity levy but cost recovery will only be undertaken where it is efficient and economical to do so.

Is industry being asked to “write a blank cheque”?

No. Signing up to GIA does not commit industry to funding readiness programmes or response actions and numerous decision points are in place to ensure that all parties agree to costs incurred under the response plan.

1. Readiness programmes are jointly agreed between MAF and industry and funding must be agreed and signed off by both parties before these programmes begin.
2. For response activities, a decision to initiate the response will be made by consensus. This will ensure industry have the ability to say “no” to a response if they do not feel this is worth pursuing. Decision points throughout the response programme will ensure that all parties agree to costs incurred under the response plan.
3. Industry can set a “fiscal cap” for a response. Fiscal caps are set as the maximum amount the industry has indicated they wish to spend on responding to the organism in question which will ensure that industry do not invest more than they wish or can afford. A fiscal cap will act as trigger point – once a fiscal cap is reached the industry will decide whether they wish to continue to share funding and decision making for the response, or whether they wish to withdraw.

Industry may not be able to meet the costs of the response initially. Will government provide support?

It is proposed that when a response begins each party would be required to meet its own costs arising from the Response plan. Affected industries should try and meet cost sharing

obligations up front but, where this is not possible, it is proposed that Government would assist with these costs and then recover cost over a period of up to 10 years.

How binding is GIA on government?

This is a legally binding agreement and as such the government will meet all its obligations under the agreement.

Will MAF have a fiscal cap?

MAF will not set a fiscal cap for responses. For responses over a certain size MAF will obtain approval for funding from cabinet on a case by case basis, based on a business case.

Why is a 'Secretariat within MAF' being proposed to support the Agreement rather than an independent body?

The Secretariat will be made up of a GIA Manager and several support staff, including administration and analysts. It will be accommodated within MAF buildings and will be supported by MAF central services (Human Resources, payroll etc), but will report to, and be accountable to, the Governance Group, which is made up of all signatories – both industry and MAF.

MAF will pay for the Secretariat for the first six years, and so has chosen this option because it is more cost effective than setting up an independent company. MAF recognises that the independence of the secretariat is important and has reflected this in the accountability of the GIA Manager to the Governance Group. The GIA Manager will be interviewed and appointed by a panel including both industry and MAF staff.

Can we 'jointly agree' to nominate a single decision maker during a response?

Yes. As part of the Readiness Programme, MAF and affected industries may decide to develop a pre-prepared response plan which could include who will be in the decision making role/s.

What role does MAF play if a response is 100 percent industry funded?

This might occur if industry wanted to pursue a response but MAF were unwilling to, perhaps because of it being a low priority relative to other responses, or feasibility or cost benefit concerns. In this situation, the response would be fully funded and resourced by industry. MAF would, as a minimum, provide advisory support to the Response Strategic Leadership (RSL) to ensure that decisions made by RSL take into account all the factors necessary for the Chief Technical Officer (CTO) to authorise the use of powers under the Biosecurity Act. The CTO is appointed under the Biosecurity Act and must be employed under the State Sector Act, therefore the CTO function can not be delegated out to industry partners.

How do you see levies working and can MAF collect these on behalf of industry?

Industry can fund their share of costs through levy orders or through other funding mechanisms. If industry choose to fund through a levy, they may use either the provisions of the Commodity Levies Act or the Biosecurity Act.

For levies collected under the Biosecurity Act, the Act provides for these to either be collected by MAF on the industry's behalf, or be collected by industry and subsequently paid to MAF.

GIA BENEFITS

Better management of the biosecurity risks to primary industry

by

working collaboratively

which means industry and MAF

Make the most of each others skills and capacity

Jointly set priorities and focus efforts on those priorities

Are better prepared... thus minimising the impact of an incursion and

increasing the chances of success.