

MAF BIOSECURITY NEW ZEALAND

GOVERNMENT-INDUSTRY AGREEMENTS



December 2009

New Zealand Government

NEW ZEALAND. IT'S OUR
PLACE TO PROTECT.



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Building a biosecurity system is
a collaborative project.
It takes a whole country.

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Biosecurity is vitally important to New Zealand

New Zealand is more reliant on primary production than any other developed country. Our indigenous flora and fauna are precious to New Zealanders.

A strong national biosecurity system is essential for our primary production sector. Thanks to our geographic isolation and strong biosecurity system, New Zealand enjoys a favourable biosecurity status compared to the rest of the world. The absence in New Zealand of many of the major global pests and diseases means that we enjoy favourable access to many export markets and production is more efficient.

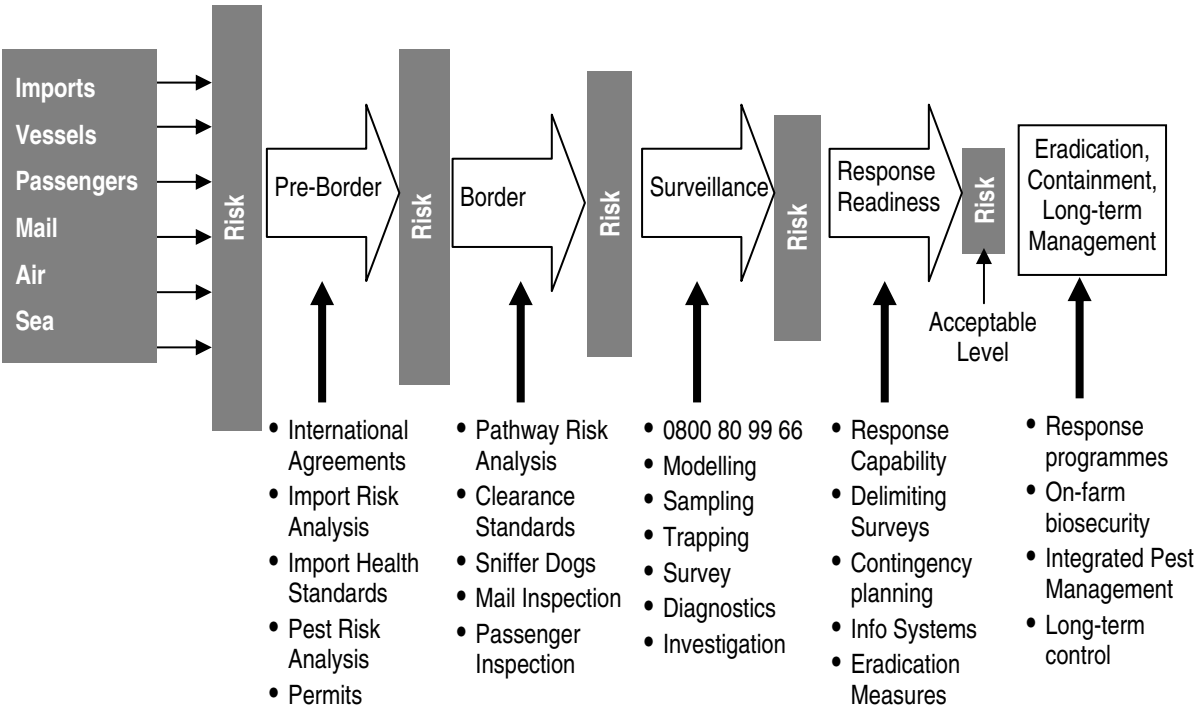
We all have to play our part to keep it that way.

Managing biosecurity risk is a collaborative effort

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.

The biosecurity system is much more than just the interventions that occur at the border. It includes activities to manage risk offshore and activities within our border to eradicate or manage pests and diseases.

Figure 1: Risk reduction



We recognise that 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. It is inevitable that some incursions of risk organisms will occur.

What is the Government-Industry Agreement (GIA) initiative?

Government and industry work together to plan biosecurity readiness and response for priority areas of concern. Decision-making and costs are shared.

Biosecurity is a risk for industry to manage just like any other business risk. The Government-Industry agreement will provide the opportunity for government to co-invest in things that are important to your industry.

MAFBNZ has been talking with industry representatives about joint decision-making and cost sharing agreements for some time. This initiative is the culmination of four years of discussions by the joint industry-MAFBNZ working group – the Surveillance and Incursion Response Working Group (SIRWG).

Currently, the government both funds and makes all the decisions on biosecurity activities and 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, MAFBNZ 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.

By working together, MAFBNZ and primary industries can reduce the damage from incursions of new pests and diseases. There will be more certainty that we are addressing the things that really matter, and all parties will have incentives to invest in preparedness. Better preparedness will result in faster and less costly responses that are more likely to eradicate or control pests and disease. This could also reduce impacts on production and market access.

Including you in decision-making will tap into your expertise and innovation. Working together can harness greater capability than MAFBNZ or industry has on its own.

How will GIA work?

GIA will apply to biosecurity readiness and response activities that provide industry benefits. It will *not apply* to biosecurity activities that provide only public benefit – for example, environmental or human health protection.

Agreements will be negotiated with industry bodies that have the mandate to represent primary producer interests.

Agreements will set the ground rules for joint decision-making and cost sharing and will enable MAFBNZ and each industry to:

- decide what pests and diseases (risk organisms) are a priority for readiness and response;
- jointly design and oversee readiness and any responses needed;
- agree on cost shares for readiness and response for each organism based on the proportion of public to industry benefits.

There will be a single overarching agreement that interested industry groups will sign. Industry-specific schedules will be added to record:

- nominated pests and diseases with their cost-share category;
- agreed plans for readiness work;

- baseline (non cost-shared) resource commitments;
- expenditure caps;
- other items.

The agreement will cover pests and diseases nominated by industry groups to be of sufficient interest that you will want to invest in readiness or response programmes. It will also have a rapid assessment mechanism to allow new pests or diseases to be added in the event of an incursion.

GIA will initially focus on risk organisms that are not present in New Zealand. Endemic pests and diseases may be able to be covered under GIA in the future.

What will GIA achieve?

Efficiency and effectiveness of readiness and response will be enhanced by working together in both planning and operational delivery. Together we have greater capability and capacity.

GIA provides an opportunity for you to carefully consider your priorities and determine what post-border biosecurity risks you really want to manage – those that are worth investing your own money in.

Within available resources, MAFBNZ should be focusing public money to where the greatest public benefit can be achieved. In doing this we will often not be able to address pests and diseases of greatest concern to industry. This gap can be a cause of significant tension between government and industry. It can also result in some important industry risks not being sufficiently well managed. As a result of our discussions, we expect the current MAFBNZ readiness programme will change. It is likely that some current programmes that are fully government funded will be partly funded by industry. This will free up government resources to invest in a broader range of readiness work of interest to industry.

Improved readiness by both government and industry should lead to reduced harm when an incursion does occur.

Is this so different from how we are working now?

GIA signals another step change in the mode of working – working collaboratively will be the norm rather than the exception, and it will extend to truly and fully sharing decision-making.

Australia has led the way in implementing this collaborative approach between industry and government. In Australia there is now widespread support among industries, federal and state agencies as to the merits of these agreements. They report that it has changed the overall approach to biosecurity in a positive way. Readiness plans are now in place for at least 16 plant industries and joint responses have been found to be more effective than responses run by government alone.

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.

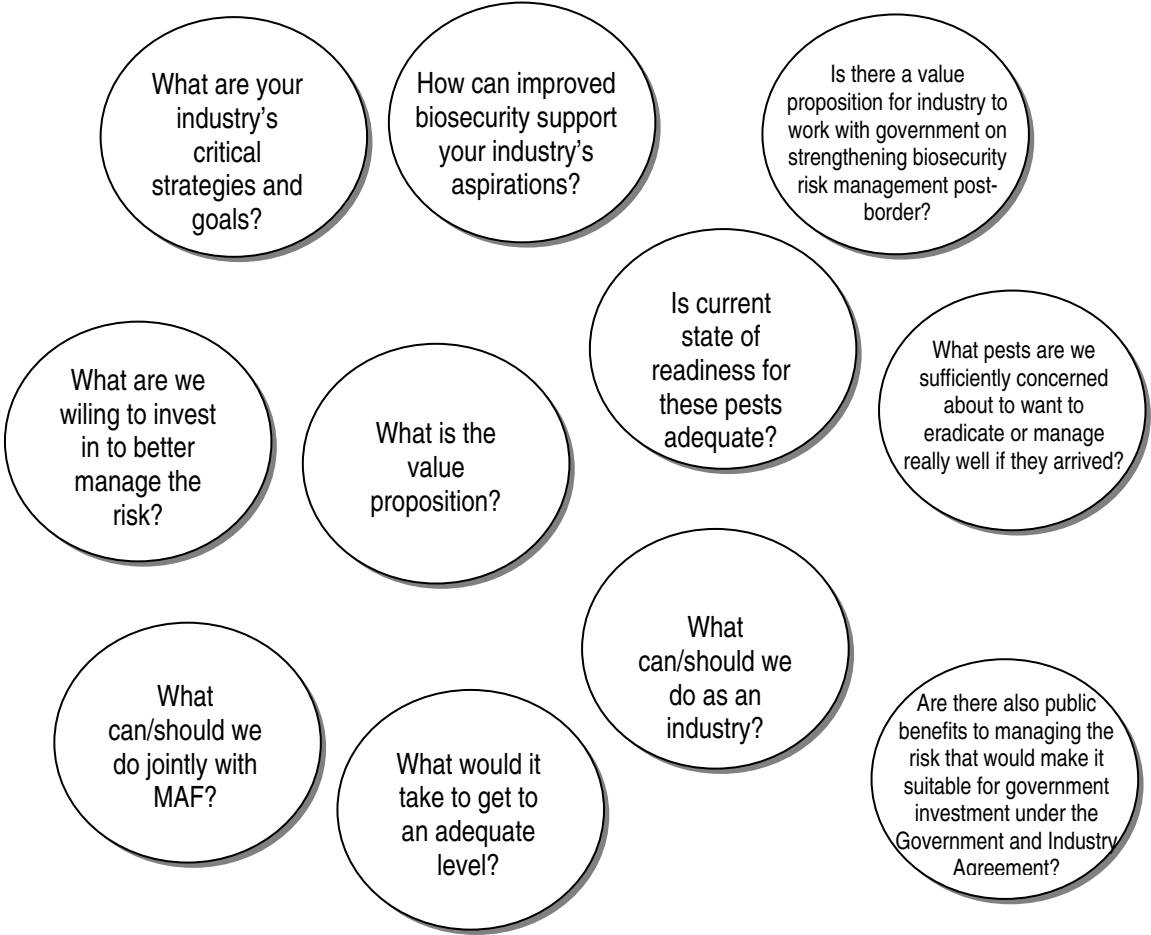
Some industry groups are putting significant funds into readiness activities, and some are working together with MAF on readiness initiatives. GIA will build on this platform and provide a consistent framework for making this collaborative approach the norm.

The Government's commitment

- The Government is committed to establishing the agreement so that willing industry groups can capitalise on the opportunity the present. In September 2009, Cabinet endorsed the GIA concept and directed MAFBNZ to finalise the “master deed” (agreement) and conclude negotiations with willing industries by March 2011.
- GIA is about improving our biosecurity readiness and response through working collaboratively – sharing decision-making and costs. It is *not* about reducing government spending, nor is it about pulling back from supporting primary industry in favour of environmental and social outcomes.

Getting underway with GIA

To prepare for GIA negotiation, you need to start thinking about some critical questions about how biosecurity readiness and response is managed in your industry.

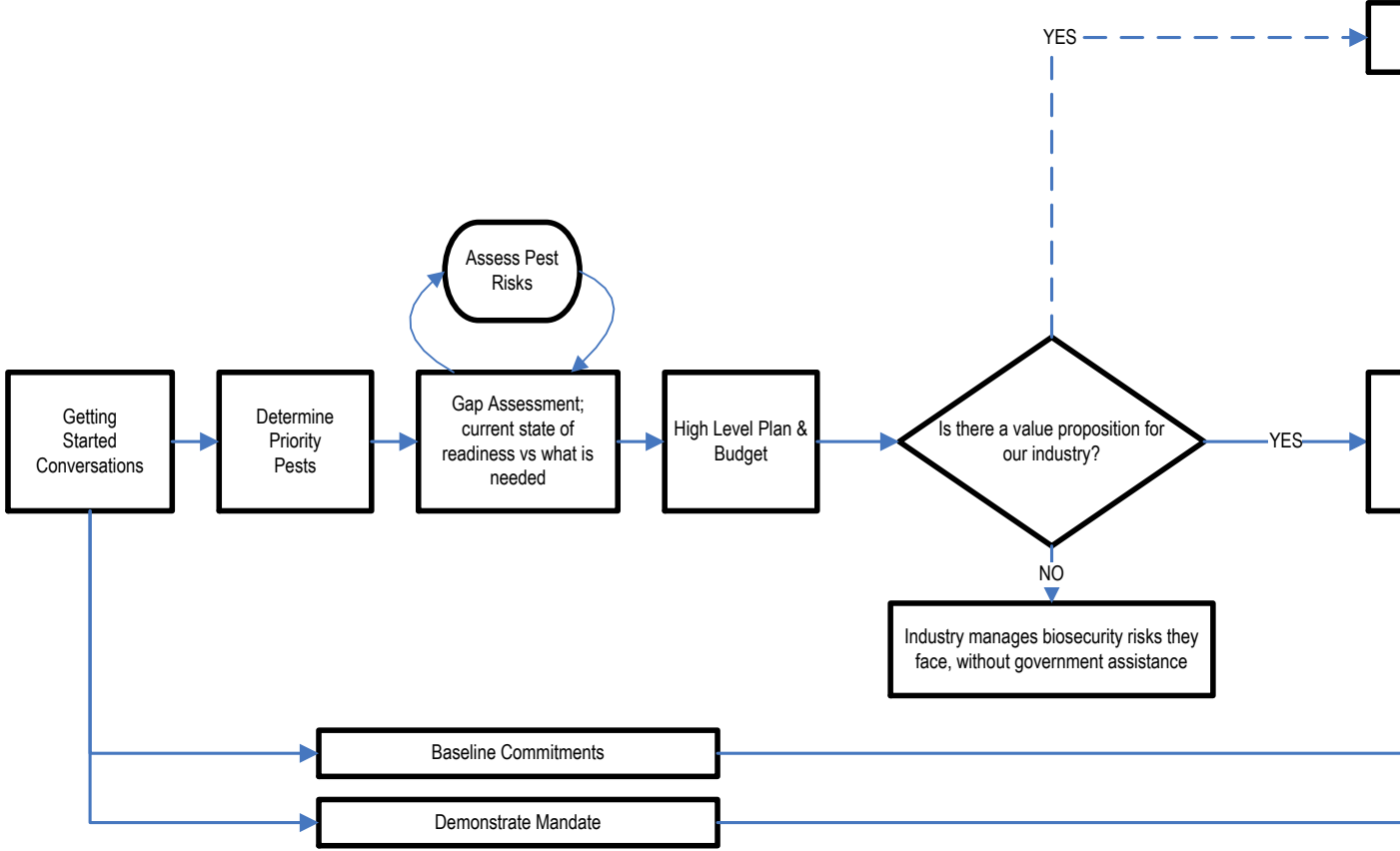


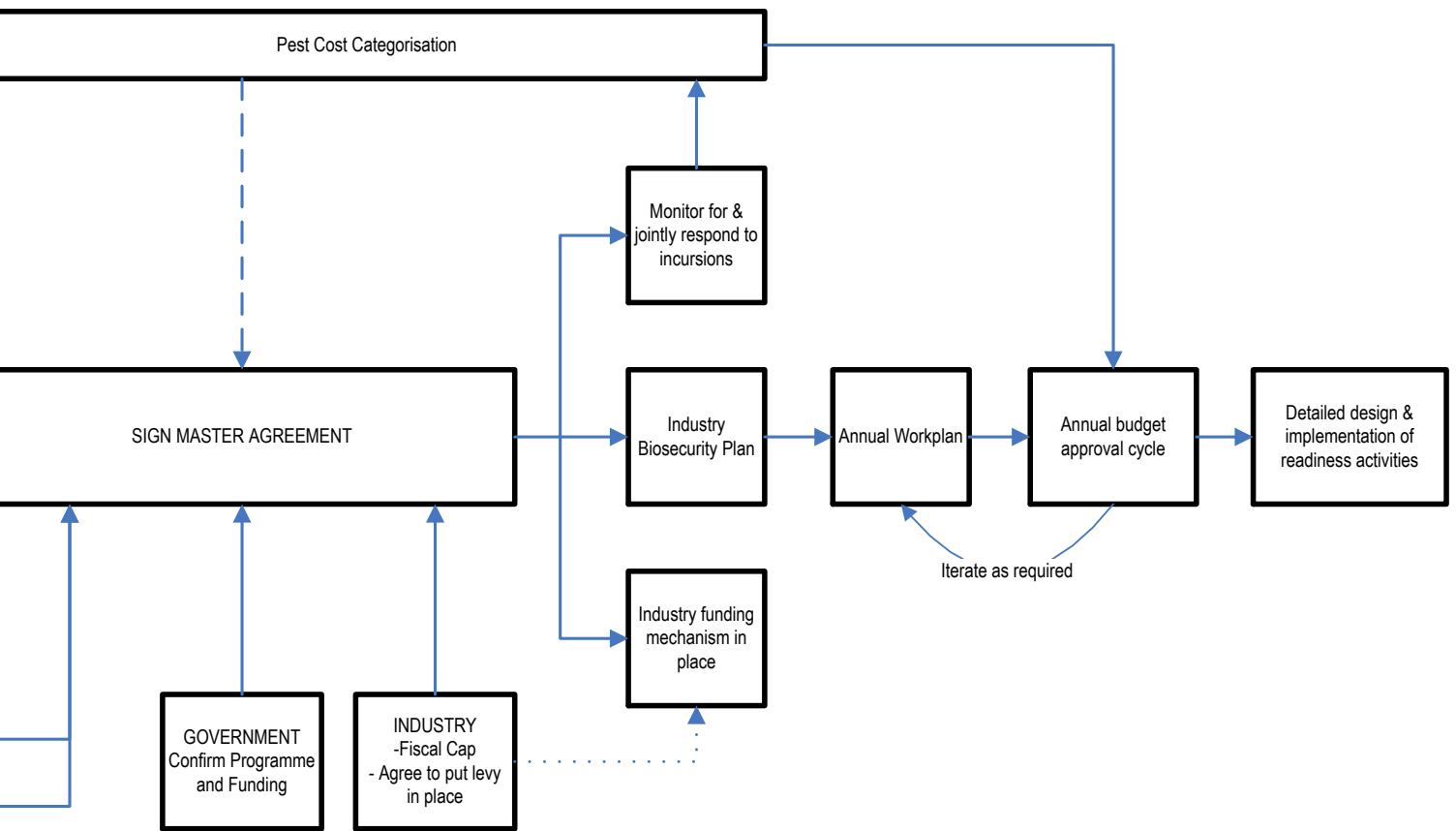
MAFBNZ has established a dedicated project team to work with industry to have signed agreements in place with willing industries by March 2011.

The team will be developing the tools and processes that facilitate the effective working of the Government-Industry agreement, as well as providing support and information to willing industries as they progress their industry specific biosecurity plan.

Here are the major steps for progressing to a signed and operational Government-Industry agreement:

Figure 2: Key steps for establishing a Government-Industry Agreement





How will it happen?

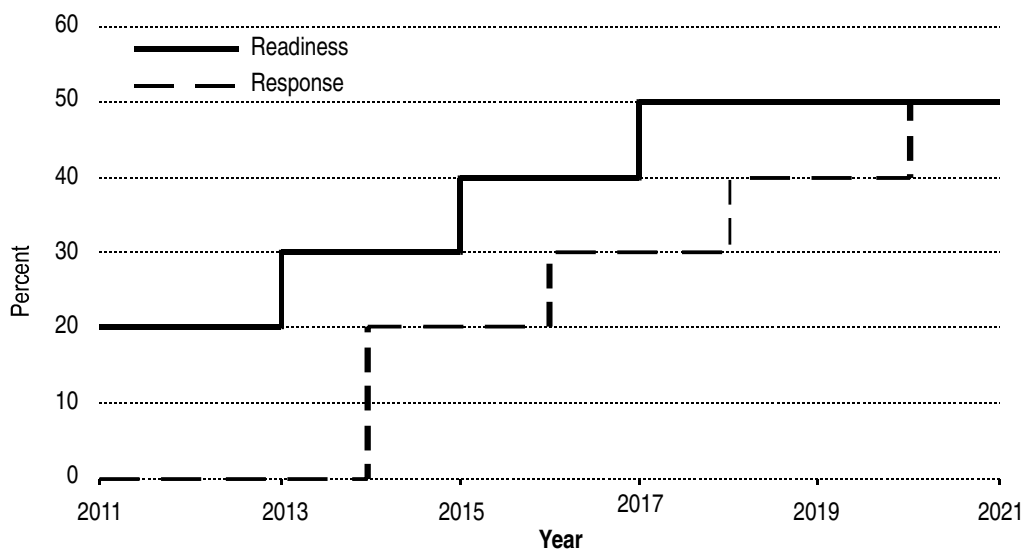
The Government recognises that moving to this new way of working will not be easy and has agreed to the following arrangements to smooth the transition:

- MAFBNZ will fund the implementation of the agreement and administration costs for the first six years while the agreement is operating:
 - This stemmed from industry concerns that they didn’t want to be penalised for signing up early.
- For the first three years, joint decision-making and cost sharing will be for readiness only. Response will follow after.
 - This came from industry wanting to see the benefits of joint decision-making before fully committing to joint agreements.
- Industry cost shares will begin at a reduced level, gradually increasing over six years.
 - This arose from financial concerns, particularly given the current economic situation.

Table 1: Industry cost share reduction

Year	Industry Cost Share Reduction	
	Readiness	Response
2011	60%	
2012	60%	
2013	40%	
2014	40%	60%
2015	20%	60%
2016	20%	40%
2017	0	40%
2018	0	20%
2019	0	20%
2020	0	0

Figure 3: Phased in cost sharing: example showing a 50/50 cost split



Once the “master” agreement is available to sign, priority will be given to readiness and response that is cost shared or which has significant public benefit.

- Mandatory cost recovery will be considered for non-participating industries where significant benefits are received. Those who already have an agreement in place will be in

a position to participate in decision-making; while those who don't will only be consulted about how the response is conducted.

- This is in response to industry concerns about “free riding”.

Current state of investment in biosecurity readiness

So what do we have in place currently for biosecurity readiness? The appendix shows the Readiness and Response activities that MAFBNZ is overseeing currently. In addition, some industries have already stepped up and are funding some biosecurity readiness activities directly. Identifying these programmes, and where the gap is between what is currently in place and what is priority for industry, is part of the initial discussions we will have.

What commitments are made when the Master Agreement is signed?

When industry and government sign the Master Agreement they are agreeing to:

- The GIA framework that will support joint decision-making and cost sharing of readiness in priority areas agreed by the parties.
- Joint decision-making and cost sharing for responses for pests that the parties specify.
- A schedule of “baseline” commitments. These are capability and capacity that each party will maintain to ensure adequate ability to plan for, detect, and respond to risk organisms. One of these commitments will be the development of an industry biosecurity plan.
- Put funding mechanisms in place that will provide the required finance in the areas agreed. For industry this may mean the implementation of a levy mechanism.

Contingent liability will be limited through fiscal caps and joint decision-making on where best to invest.

Some industry groups have expressed concern that they are signing a “blank cheque”. This is not the case. You still have control over how much money you wish to invest in the plan – if the budgeted dollars are looking too high then the priority pest list can be reduced or the schedule of actions amended to reduce costs. In a response the fiscal cap ensures that the parties do not incur liability beyond what they wish to invest. If the cap is reached, the party would decide whether to withdraw from joint decision-making and cost sharing, or to exceed the fiscal cap.

What next?

Over the coming months MAFBNZ staff will contact industry bodies with more information about GIA. If you would like more information or to talk to one of the GIA team please contact:

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Appendix 1: MAF current state (in Post Border space)

READINESS

PROGRAMME/RESPONSE	DESCRIPTION	STATUS
Animal Disease Response Plans	Response policies, plans or technical plans for Avian Influenza, Foot and Mouth Disease, Porcine Respiratory and Reproductive Syndrome, Equine Influenza, Chronic Wasting Disease, Scrapie, Infectious Bursal Disease, Newcastle Disease, Classical Swine Fever, Anthrax, Brucella suis.	Some complete and ready, some partially complete or requiring review
Plant Pest and Disease Response Plans	Response policies or response plans for an incursion of Fruit Fly and Pine Pitch Canker	Complete, but require review
Vector competence testing	Research to determine whether particular insects (either exotic or present in New Zealand) would be able to spread particular exotic diseases of relevance to animal and human health.	In progress
Proof Of Freedom Surveillance Plans	Surveillance plans to enable international recognition of disease freedom following a disease incursion for Food and Mouth Disease	Complete
Mycoplasma bovis surveillance	Design and conduct jointly-funded surveillance programme to demonstrate freedom from this disease of cattle in the dairy industry. Design surveillance plan for the beef industry.	Complete
Exotic Pest and Disease Hotline and Incursion Investigation Capability	Maintain the exotic pest and disease hotline, maintain skilled staff to investigate reports of suspect new or exotic organisms, maintain laboratory testing capability or identification capability for exotic and unwanted organisms.	Ongoing
Disease Spread and Animal Movements Models	Development, maintenance and review of New Zealand standard model for Foot and Mouth disease, international comparison of disease spread models, pig industry model, partial development of a poultry industry model and equine sector model	Some complete, others in progress
Initial Investigating Veterinarian Contract.	This contract funds training and 24/7/365 nationwide coverage of veterinarians trained in exotic disease identification to investigate notifications of exotic diseases.	Ongoing
Plume Modelling Contract.	A contract with NIWA that ensures that they are on standby for meteorological modelling in the event of a disease with an airborne component (like FMD).	Ongoing
Foot and Mouth Disease – Vaccine Bank	Merial, France, holds NZ\$4.5M vaccine dose worth of FMD antigen for New Zealand's use, in readiness for an outbreak.	Expires 30 June 2010
Urgent Movement Controls Project.	A project that aims to ensure that urgent movement controls (including the possibility of a national livestock standstill) can be implemented rapidly in the event of a risk organism incursion.	Ongoing
Arbovirus and Culicoides Surveillance Programme.	A surveillance programme to detect particular insect-borne diseases of ruminants, and the insect that carries them.	Ongoing – under technical review at present
Laboratory Surveillance Programme.	General or passive surveillance to detect exotic and emerging animal diseases in farmed animals (and other diseases of interest, such as zoonoses) through routine submissions to veterinary laboratories, and monitoring of trend information about animal population health, endemic diseases and syndromes, with particular reference to infectious diseases. This programme provides information to support trade assurances and demonstrates New Zealand's veterinary capability to international bodies such as the OIE.	Ongoing – last reviewed 2008
Scrapie Surveillance Programme.	A targeted surveillance programme to assure freedom from scrapie in sheep.	Ongoing – technical review 2009
Chronic Wasting Disease Surveillance Programme.	A targeted surveillance programme (with some industry funding) to assure freedom from Chronic Wasting Disease of deer.	Ongoing – technical review 2008
Ruminant Protein Regulations.	Ensuring the regulations are compiled with, to ensure ruminants are not fed ruminant protein, to prevent BSE, CWD and Scrapie from spreading.	Ongoing – under review
Imported Animal Verification Programme.	Ensuring imported ruminants are tracked and appropriately disposed of (for purposes of BSE/Scrapie/CWD control).	Ongoing – reviewed 2008
Avian influenza Surveillance Programme.	Surveillance for H5 and H7 subtype avian influenza in migratory shorebirds, resident waterfowl and commercial poultry	Wild bird work ongoing, commercial sector work on hold. Technical review due.
BSE Surveillance Programme.	A targeted surveillance programme to assure freedom from Bovine Spongiform Encephalopathy in cattle.	Ongoing – last technical review 2007
National Invasive Ant Surveillance Programme	Surveillance for exotic ants (of risk to people, animals and environment) at high risk locations, plus an education/awareness programme for those in the pest control industry.	Ongoing – not yet reviewed
Surveillance for pests and diseases of Honey Bees.	Targeted surveillance for exotic pests and diseases of honey bees, exotic species of bees, and maintenance of the apiary database.	Ongoing – last reviewed 2003
Forest High Risk Site Surveillance	Surveillance and diagnostics for pests and diseases of trees at high-risk sites	Ongoing – last reviewed

PROGRAMME/RESPONSE	DESCRIPTION	STATUS
Marine Ports Surveillance – baseline surveys and resurveys	Survey to determine which organisms are currently present in New Zealand ports.	2005, last audited 2007 Finishing 2010
Marine Invasives Taxonomic Service (MITS).	Provision of identification services for suspected unwanted marine organisms	Ongoing – specifications reviewed 2009
Fruit Fly Surveillance Programme.	Targeted surveillance for fruit fly.	Ongoing – audited 2009
Marine High Risk Site Surveillance.	Surveillance for marine pests at high risk sites.	Ongoing – new programme 2007
Southern Saltmarsh Mosquito Surveillance Programme.	Surveillance programme for an unwanted mosquito (affecting human health) – transitioning to MAF from Ministry of Health.	New programme to MAF in 2009/10 – will be ongoing
International reporting	Reporting New Zealand's animal health status to the OIE to facilitate trade and to facilitate the setting of border measures.	Ongoing
Surveillance magazine	Produce a quarterly publication to communicate New Zealand's animal health status, provide an internationally recognised repository of animal health information for trade assurances, and communicate to those on the front line of animal health in New Zealand to ensure ongoing awareness of animal health biosecurity matters	Ongoing
Gypsy Moth Surveillance	Active surveillance programme using pheromone traps at risk sites. Funded from a levy on imported containers	Ongoing – audited 2006
PROGRAMME/RESPONSE	DESCRIPTION	STATUS
Mediterranean Fanworm	Response to a marine worm at Lyttelton Port and Auckland	In Progress
Subterranean Termite – Nelson	Elimination and post-elimination monitoring of subterranean termite infestation in Richmond, Nelson.	In Progress
Plant Health – various responses under \$20K	Assessment of priority for response of new risk organism/risk good detections of potential significance for plant health. Includes standing down low priority cases, and management of small responses costing less than \$20K.	Ongoing
Ants Response Programme	Assessment of priority for response of new detections of potentially harmful ant species. Includes standing down low priority cases, and management of small responses costing less than \$20K.	Ongoing
Environment/Marine – various responses under \$20K	Assessment of priority for response of new risk organism/risk good detections of potential significance for environment/marine (excluding ants). Includes standing down low priority cases, and management of small responses costing less than \$20K.	Ongoing
Boil Smut fungus on Maize	Response to a plant pathogen in Gisborne.	In process of being closed out
Subterranean Termite – Auckland	Elimination and post-elimination monitoring of subterranean termite infestation in Coatesville, Auckland.	In progress
H1N1 Influenza	MAFBNZ provision of technical expertise to the Ministry of Health led response to pandemic H1N1 influenza. A parallel workstream was undertaken, led by MAFBNZ, to develop contingency plans and response policies for managing risks that may arise if H1N1 is detected in animals in New Zealand.	In process of being closed out
Dampwood Termite	Response to infestations of the dampwood termite (Porotermes Adamsoni) at Lyttelton, Kaipara Flats and Auckland.	In Progress
Tomato Bacterium – Liberibacter	Response to a plant pathogen nationwide	In process of being closed out
New to Science Fungus	Response to a new to science organism	In process of being closed out
Sea Squirt – Pyura	Response to a marine pest in Northland	In progress
Animal diseases – various responses under \$20K	Includes risk goods responses, Salmonella, North shore dog poisoning etc. Includes standing down low priority cases, and management of small responses costing less than \$20K.	Ongoing
Southern Saltmarsh Mosquito	Response to an unwanted mosquito affecting human health.	In progress
Vairoa Bee Mite	Response to a parasite of bees nationwide.	In process of being closed out
Fire Ants	Response to Red Imported Fire Ants, a pest affecting the environment, animal health and human health	Closed out
Exotic ant species at ports of Auckland – Project Active.	Control measures to minimise the risk of establishment of invasive exotic ants that may arrive on import pathways.	Ongoing

RESPONSE

STRATEGIC PROGRAMMES

PROGRAMME/RESPONSE	DESCRIPTION	STATUS
Government Industry Agreements	A platform for government and industry to work together on joint priorities in a structured way with joint decision-making and cost sharing as core principles underpinning the relationship.	In progress
Response Foundations	Development of a three year Response Readiness workplan.	In progress
Future of Pest Management	A strategy for improving pest management in New Zealand to 2020, including improved regulatory environment, cohesive national policy and standards, priority setting and performance measurement.	In progress
Biosecurity Surveillance Strategy	A strategy to guide biosecurity surveillance in New Zealand (across sectors) until 2020.	Signed off July 2009
High Priority Organisms Project	Project established to develop a framework and supporting policies for the prioritisation of risk organisms according to likely impacts on New Zealand.	In progress
Farms Online	Development and implementation of a rural property register for New Zealand, drawing data from multiple sources about people, plants and animals connected with farms and peri-urban properties to support biosecurity surveillance and response activities.	In progress
NAIT (National Animal Identification and Tracing)	Development of an enhanced animal identification and tracing system for cattle and deer in New Zealand. Joint Government Industry partnership.	In progress
Marine Decision Support Tool	A tool to enable consideration of a variety of scientific data relating to marine organisms and habitats in New Zealand when making biosecurity decisions.	Awaiting approval to commence
LIMS 3.0	Updated Laboratory Information Management System for the Investigation and Diagnostic Centres.	In progress

CAPABILITY

PROGRAMME/RESPONSE	DESCRIPTION	STATUS
Biosecurity Response System	A system for responding to biosecurity incursions (incorporating, Knowledge Base, Incursion Response System and data purchase from AgriBase), and a change programme comprising Response Roleholder Training and People Capability.	Ongoing
Field Operations Response Team (FORT)	A contract with AsureQuality to provide our field operational capability, or "standing army", trained to respond to exotic pest and disease outbreaks. Will be replaced by the Biosecurity Response Capability Network.	Will transition in June 2010
Biosecurity Response Capability Network	A contract with AsureQuality to coordinate access to appropriate field operational capability for biosecurity responses.	Will transition in June 2010
Response Tracker	Development of a database to support monitoring and reporting of Post Border's portfolio of responses	In process of being closed out
Stable Isotope Analysis	Development of a national data base on New Zealand rainfall at different locations to assist in determining point of origin for organisms via stable isotope analysis.	Ongoing
Vaccination Decision Making Framework Project	A project that delivered decision making framework and criteria for vaccination in the event of an exotic animal disease incursions.	Completed 2009