

The funding and management system for biosecurity import health standards

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Introduction

This document explains the funding and management system for biosecurity import health standards. It is intended to help applicants requesting development of new or revised import health standards.

The import health standard funding and management system

High demand for import health standards led to increasing pressure on the Ministry of Agriculture and Forestry's (MAF) resources to develop import health standards and importers expressing considerable frustration about how the old system was managed.

To address these problems, MAF adopted a new system for the funding and management of import health standards starting in July 2006. The new system is intended to be more transparent and to increase resources for developing import health standards over time. The new system is as follows:

- Every year, around December, MAF will invite applications or reconfirmations of requests for import health standard work for the year starting next July, along with an indication of whether applicants would be willing to fund the work.
- MAF compiles a list of all the "live" requests for import health standard work for the coming year.
- If the requests are significantly more than MAF's estimated capacity for the next year, MAF officials will pre-screen the requests using a set of prioritisation criteria (see below and Appendix 3). The pre-screen identifies those requests that clearly will not be prioritised high enough to be progressed during the year.
- An expert panel including MAF, other government departments and experienced independent persons then prioritises the remaining import health standard requests using the same prioritisation criteria.
- Once MAF has a prioritised list of requests, the Crown-funded resources are matched to the highest priority items to form the Crown-funded portion of the work programme.
- The remaining applicants who indicated that they would be prepared to fund their application will then, in priority order and provided suitable contracted or staff resources are available, be invited to consider funding development of their standard.
- The annual import health standard development work programme is then be finalised, comprising both Crown and privately funded resources.
- Applicants are then advised of the result for their application and the prioritised list of all requests and the annual work programme published on the MAF Biosecurity New Zealand website.

Prioritisation of import health standard work

MAF does not have enough resources to complete all the requested import health standard work in a given year. For example, in 2006/07 MAF had resources to progress about 10% of the requests for new work. This is why the requests have to be prioritised.

The prioritisation uses the criteria in the biosecurity Integrated Risk Management Framework. This Framework was developed to be able to compare and prioritise demands for resources across the whole of the New Zealand biosecurity system. The criteria are discussed more fully in Appendix 3 but, very briefly, they are Strategic (fit with the New Zealand government's goals), Net benefit (for New Zealand), Technical (difficulty of the work), Acceptability (of the result for New Zealanders) and Practicality, (in this context the availability of suitable resources).

The application forms include a number of questions to provide information so the requests can be prioritised. Appendix 3 provides some guidance of how to answer these questions. A key point is that the applicant is the best person to provide information to support their application. The panel does not have the resources to investigate or research on the applicant's behalf.

Commercially sensitive information given as part of an application will be held in confidence by MAF, subject to the requirements of the Official Information Act 1982, and provided it has been clearly marked as commercially sensitive.

Funding of import health standards

Under the new funding and management system, all identified import health standard work will be prioritised, and the available resources matched to the highest priority work. However, the final work programme will be constrained by MAF's ability to find or develop the specialised people and resources to do the work. For example, plant specialists cannot do animal related work, and therefore an animal standard can only be developed if the appropriately skilled people are available. There is unlikely to be a perfect match between the priority work and available resources but MAF will endeavour to find the appropriate resources.

MAF will allocate Crown-funded resources to the top priority import health standard work. The level of Crown funding is expected to remain constant under the new system.

After all the Crown-funded resource has been allocated, the remaining applicants who have indicated on their application forms that they are willing to consider funding the cost of their application themselves, will be offered the option, in order of priority.

Applicants who indicate on their application forms that they are willing to cover the cost of their requested work will not be automatically bound to pay for it. MAF will work with these applicants to further clarify the scope of work and develop an expected cost for the work, before requiring the applicant to make a final decision on whether they wish to fund it themselves. Checkpoints may also be included at key

points during the development process for the application to decide whether they wish to continue with the standard.

Requested import health standards that are not included on the yearly work programme must be reconfirmed before they will be reconsidered for another years work programme. Unsuccessful applicants will be contacted around December to confirm that they still want the import health standard. Applicants may also take the opportunity to revise their applications.

Available resources for import health standard work

The new system is intended to increase MAF's resources for developing import health standards but this capability will take several years to build up. The staff or contractors who can carry out import health standard work are highly specialised. The benefits of allowing applicants to fund their own work are consequently expected to increase over the next few years. Indications of preparedness to pay on the application form will help MAF with resource development planning.

Why is an import health standard needed?

Under the Biosecurity Act 1993, an import health standard is required for importation in to New Zealand of any biosecurity risk goods. Risk goods are any things that it is reasonable to suspect constitute, harbour or contain an organism that may cause unwanted harm to natural or physical resources of human health in New Zealand.

Importing a risk good

The first step when a person wants to import a product is to check Biosecurity New Zealand's website at <http://www.biosecurity.govt.nz/commercial-imports/import-health-standards/search> to see whether an import health standard that covers the desired product already exists.

If no appropriate import health standard exists, a new standard would be needed. All applications for new or amended import health standards will be managed under the new funding and management system, as described above.

To be considered for a given year's work programme, application forms must be sent to MAF by around end of January (MAF will announce a specific deadline each year). This cut-off point is to allow MAF to prepare an annual work programme to start in July. The applications forms can be found under <http://www.biosecurity.govt.nz/commercial-imports/commercial-imports> and then following the type of import.

Important dates for applicants for 2007/08

The important dates for developing the 2007/08 work programme are:

- MAF contacting existing applicants and confirming information (where possible) in mid-January 2006
- Applications for new import health standards close on 2 February 2007
- Prioritising all applications for import health standard work by late February 2007
- Allocating Crown funding to the top priority requests, and confirming with the next highest applicants who wish to self-fund their work in March and April
- Finalising then announcing the prioritised list and 2007/08 work programme in late May 2007.

Further information

Further information relevant to the new import health standard system can be found on Biosecurity New Zealand's website at <http://www.biosecurity.govt.nz/commercial-imports/commercial-imports> or by contacting:

Plant and plant products

Vivian Dalley
Team Support Officer, Plant Imports Team
plantimports@maf.govt.nz
phone 04 894 0832
fax 04 894 0662

Animals and animal products

Jason Luu
Team Support Officer, Animal Import Team
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Non-biological imports

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Appendix One: Cost information for funding import health standard development

The information below is intended to help applicants consider the option of funding the cost of developing their requested import health standard. It is indicative only. In all cases where an applicant will be offered the opportunity to fund development of an import health standard, MAF will work with the applicant to clarify the scope of work and develop an expected cost, before requiring a final decision on whether the applicant will fund the work.

Development of an import health standard has several phases: planning and scoping the work, sometimes additional information on risks or risk mitigation techniques will be required, then risk analysis, development of the import health standard and implementation and ongoing management of the standard after it has come into force.

Approvals from other agencies, such as the Environmental Risk Management Authority of New Zealand or the New Zealand Food Safety Authority may also be required before an importation can actually occur. MAF is working to improve coordination between those agencies.

Risk analysis is generally the most resource intensive phase of development. However, if an appropriate risk analysis already exists, this phase may be shortened or not required at all. MAF will decide what is appropriate in each case.

Small, medium or large?

The major factors that affect how large a project developing an import health standard are the scope of the import health standard sought, the information available and public interest in the issue.

Generally speaking, the more specific the scope, the smaller the import health standard project is likely to be. Some examples of scope are

- *Malus* genera (e.g. apple) budwood from all countries: a large scope and expected to have a large number of hazards
- Hatching eggs will generally have a smaller range of hazards than live birds
- Aubergines from Samoa is very specific
- Adding a test or treatment equivalence to an existing import health standard where the issue is well covered in an appropriate risk analysis. This is likely to be the smallest import health standard project possible.

Aspects of information that affect the potential size of an import health standard development project include the amount of scientific information available and the availability of existing international agreements or information relevant to the request.

Some examples of the amount of information that can affect an import health standard are:

- Sheep, cattle and poultry have a large amount of high quality information already accepted internationally, compared to cage birds such as finches,

where there is relatively little information available. The draft risk analysis for argali sheep semen from Singapore Zoo took four months to be ready for external technical review compared to the risk analysis for finches, which took 18 months.

- Protocols to prevent the international movement of mosquitoes dangerous to human and animal health are available, widely understood and implemented
- Ballast water and bio-fouling on the hulls of vessels. These have become areas of concern relatively recently and there is limited scientific information available because research is still in its early stages.
- Wollemi pine, which is a species new to science.

Sources of good quality internationally accepted information include:

- Internationally agreed standards such as in the OIE (Organisation International des Epizooties, World Animal Health Organisation) animal health codes and testing manuals and international standards for phytosanitary measures (ISPMs)
- Published risk analyses and trading protocols from a country that New Zealand routinely trades with
- Published reference texts and peer reviewed scientific journals
- Science conducted by reputable institutions.

Public interest in a proposed import health standard can be unpredictable and may influence the amount of time taken in consultation. Examples where there was a strong public interest in import requirements include:

- Genetically modified grains and seeds
- Highly pathogenic avian influenza (bird flu)
- Food safety issues such as bovine spongiform encephalopathy (sometimes called mad cow disease) and *Salmonella* in poultry products
- Salmonids for human consumption. These include trout, which could be imported but not sold in New Zealand.

Cost recovery principles

- In all cases where an applicant will be offered the opportunity to fund development of an import health standard, MAF will work with the applicant to develop an expected cost before requiring a final decision on whether the applicant will fund their requested work.
- Where MAF uses external resources to help develop a privately-funded import health standard, the actual and reasonable costs will be charged to the applicant.
- MAF's internal resources that are used to develop or supervise a privately-funded import health standard will be charged to the applicant to recover the full costs for the time spent doing the work.
- Some aspects of import health standard development cannot be outsourced. These include supervision of external resources, internal technical review,

management of external technical review and public consultation, government to government negotiations, adjudication on the acceptable level of biosecurity risk (or protection) and issuing a risk analysis or import health standard.

- Issued risk analyses and import health standards will continue to be freely and publicly available information.

So how much might it cost, and how long might it take?

This section is indicative only.

Large

- A large risk analysis might cost \$300,000. Large risk analyses can easily take two years, even when they are continuously being progressed. The good news is that the import health standard development phase might then be medium or small. Examples of a large risk analysis phase are live finches from Europe (18 months to reach external technical review of the draft risk analysis) and *Malus* (apple) budwood from all countries (estimated to take a year using three people full time).
- A large import health standard phase might take \$100,000 to \$150,000. An import health standard can take longer than the risk analysis to finalise because of the government to government negotiations involved. Examples of a large import health standard phase are *Triticum* (wheat) seed for sowing and wood products, which were each estimated to take the equivalent of one person full time for 4 months.

Medium

- A medium sized risk analysis might cost \$50,000 to \$100,000 and take up to a year to complete. Examples of medium sized risk analyses are sheep and goat semen and embryos, which are estimated to have cost \$80,000, and new types of fresh vegetables from specific countries.
- A medium sized import health standard phase might also take \$50,000 to \$100,000. An example of a medium sized import health standard phase is *Olea* (olive) nursery stock, which is estimated to have taken the equivalent of one person working full time for 3 months.

Small

- A small risk analysis phase is where an appropriate risk analysis exists and an assessment of a specific commodity against it is required. Such a risk assessment might take between a day and a week and cost up to \$5,000. However, there are examples where a technically small risk assessment has become medium sized in the consultation.
- A small import health standard phase might take \$30,000 and two months to finalise. Examples of small import health standard phases are for *Vaccinium* (blueberry and cranberry) seed for sowing and aubergines from Samoa. These were each estimated to take the equivalent of one person working full time for a month.

- A minor amendment to an import health standard, for example adding a test or treatment equivalence, might cost \$5,000.

Appendix Two: Import health standard development and management cycle

Planning →	Information →	Risk analysis →	Import health standard →	Ongoing management→
<ul style="list-style-type: none"> • Gather all work requests • Prioritise • Match Crown resources • Confirm private funding • Finalise work programme 	<ul style="list-style-type: none"> • If required • Surveys • Research • Trials • May be more than one year 	<ul style="list-style-type: none"> • Identify hazards • Assess risks • Evaluate management option/s • Issue risk analysis 	<ul style="list-style-type: none"> • Draft import health standard • Consult nationally and internationally • Issue import health standard • Implement import health standard 	<ul style="list-style-type: none"> • Implement standard • Manage and clear imports • Monitor in case standard needs revision • Submit request for new import health standard work

Appendix Three: Prioritising requests for import health standards ¹

There are five criteria used to assess requests for import health standards:

- Strategic
- Technical
- Net benefit
- Acceptability
- Practicality.

They come from the biosecurity Integrated Risk Management Framework and have been approved by the Government. They were specifically developed to help with prioritising demand for resources across the whole biosecurity system in New Zealand.

As applicants, you need to understand how your application will be assessed against the criteria so that you can provide information that will give your application the best chance of being included in the work programme.

The prioritisation panel does not have the resource to investigate or do research on your behalf. You should assume that the panel may not know the information unless you tell them. You should also note that unsubstantiated claims will carry little weight. Include references for the facts, such as where they have been published, whenever possible.

In the context of prioritising requests for import health standards, the first three criteria, (Strategic, Technical and Net benefit) are assessed first. They are scored on a 0 – 6 scale using the information supplied on the application. Applications scoring a 6 meet the criterion to a very high degree. Applications scoring 1 do not meet this criterion very well at all. An application that scores 0 on any of these criteria is excluded from further consideration.

After the prioritisation panel has scored the requests, the requests are re-sorted into a preliminary numerical order and then assessed against the acceptability criterion. This gives us the prioritised list.

MAF then takes the prioritised list and applies the practicality criterion, by matching available resources to the prioritised list, to generate the work programme.

¹ Based on a presentation by Dr Stephen Butcher, Operational Standards Team Manager, Pre-clearance, MAF Biosecurity New Zealand, to seminars for import health standard stakeholders in September and October 2006

Technical

The technical criterion prioritises applications based on how straightforward the risk analysis and development of an import health standard are expected to be.

Your application will be assessed on

1. whether a risk analysis acceptable to New Zealand has been completed or is nearly complete
2. how complex the import health standard will be to produce. For example, an application for a commodity from a single country is likely to be easier to develop than one for the same commodity from many or all countries.

When you complete the sections of the application relating to the technical criterion, put in as much information as possible to demonstrate the development of the standard will be straightforward. For example, if the commodity is imported by another country that uses a similar import process to New Zealand, such as Australia, United States, Canada or the United Kingdom, then they will have conducted their own risk analysis that New Zealand can tap into. If New Zealand already has an import health standard for a similar product from the same country or the same product from a different country, then make sure you mention these. Including references to peer reviewed articles that discuss the level of biosecurity risk associated with the import is also a very good idea.

Net benefit

The second criterion that you need to provide detailed information for is the net benefit. (This is sometime also called cost benefit.)

Explain why this import is a good idea. Does it provide a greater choice for consumers? Or out of season supply of fresh product? Quantify your claim as best you can and show how you came to the figures.

Include all the industries or sectors that are likely to benefit from the import. For example, if you want to import grass seed from a new country, the benefit may be derived not just from the import of the grass seed but also from improvements in pasture production, animal performance, possibly employment, health etc. Make sure you include all the benefits and provide evidence to back up the claims.

Be as specific as possible about the expected volumes of imports. You might use examples of other countries, similar products etc. Quantify as best you can.

Remember, however, that these are net benefits so you must also include costs, as best you can. The costs will include the compliance costs of meeting biosecurity requirements. Again, these will not be known until the risk analysis

has been completed and the import health standard developed but you may be able to use estimates based on similar products.

Give as many details as you can about other benefits to New Zealand. For example, there may be environmental benefits such as lower biosecurity risks or health benefits from providing more nutritious food.

Strategic

The strategic criterion measures how well an application contributes to the priorities that the Government has set for the country and the goals MAF that sets for itself to contribute to those priorities.

The Government's priorities for New Zealand are currently

- Economic transformation
- Families – young and old
- National identity.

MAF contributes to these priorities by

- Encouraging high performing sectors
- Developing safer and freer trade
- Ensuring healthy New Zealanders
- Protecting our natural resources.

There is no specific question in the application forms about the strategic criterion. However, when answering the questions about technical issues and net benefit, you should also make reference to these strategic goals. For example, a strong economic net benefit will help meet the government's priority of economic transformation.

Acceptability

After your application has been scored against the technical, net benefit and strategic criteria, it may be assessed against the acceptability criterion.

Low acceptability includes the possibility of public discontent or low public support, where benefits only accrue to a small group of people or those that do benefit do not bear the costs.

Whether to issue a standard is a MAF decision, however you as the applicant will have another opportunity to give your side of the story as part of the public consultation processes that are part and parcel of developing a risk analysis and import health standard.

If you are aware that there may be some public concern over the application, provide information that counters this concern. Remember that this information will not prejudice your application because the concern would be considered by MAF anyway. In many cases, the objections are not as significant as first seems.

Practicality

Finally, the practicality criterion. In the context of prioritising import health standard requests, this means how likely is it that the import health standard can be developed given the resources available. Resources, and funding for them, must be available either on staff within MAF or outside MAF but having MAF's confidence. Whether a consultant has the confidence of MAF is a decision for MAF. However, indicating that you are willing to consider funding development of the standard may have a bearing on whether your request is included on the work programme.