

PROTECT
OUR FUTURE.

WORKING TOGETHER TO PROTECT OUR FUTURE FROM EXOTIC PESTS AND DISEASES.

Proposal to sign the Government Industry Agreement (GIA) for Biosecurity Readiness and Response

DISCUSSION DOCUMENT



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WORKING TOGETHER TO PROTECT OUR FUTURE FROM EXOTIC PESTS AND DISEASES.

Introduction

In this Discussion Document, DairyNZ, Beef+Lamb New Zealand (B+LNZ) and Deer Industry New Zealand (DINZ) (we/us) tell you about the Government Industry Agreement for Biosecurity Readiness and Response Deed (the GIA).

We have developed and circulated a Summary Document and additional information brochures that will help you to consider each of our separate and specific proposals:

- to become Signatories to the GIA¹
- for how your views would be represented in GIA decision-making
- for how we would fund our future GIA commitments.

We explain how joining the GIA would strengthen the livestock sector's role in representing you in national biosecurity decision-making and, where each of us agree that our specific sector is a beneficiary, negotiating GIA Operational Agreements.²

The additional information brochures confirm our proposals to sign the GIA with specific sector representation as follows:

- DairyNZ would represent all New Zealand dairy farmers who produce milk from cows for supply to a dairy processor.
- B+LNZ would represent all New Zealand sheepmeat and beef producers.
- DINZ would represent all New Zealand deer farmers and processors, marketers and exporters of deer products.

The Summary Document, which you should have received in the post, indicates that Federated Farmers will also propose to become a GIA Deed Signatory and provide its pan-sectoral perspective to help deliver better biosecurity outcomes for farmers. Federated Farmers is currently working through its proposal and will consult separately with its members in the coming months.

As you will see later in this document, several primary sector groups have already signed the GIA. Others are also preparing to sign up. With your support, we aim to submit our separate GIA Signatory applications to the Minister for Biosecurity (the Minister) by the end of 2017.

We are consulting directly with all our levy-payers and members and publishing information about the proposals through normal communication channels. We need your feedback so, if we apply to sign the GIA, we can show the Minister that we have strong farmer support, and that we have considered and addressed the opinions of our constituents about our respective proposals.

¹ A GIA Signatory (or just 'Signatory') is an organisation that has signed the GIA Deed after securing a mandate to do so from the sector it represents and satisfying the Minister for Primary Industries that it is eligible to sign.

² A GIA Operational Agreement is an agreement between specific Signatories, called Operational Agreement Parties, or just 'Parties', about the nature of specific biosecurity readiness and response activities and how their costs will be shared.

What do we want you to do?

Step 1: Please read this document or the Summary Document, each of our separate brochure(s) relevant to your farming operations and additional information at www.livestockgia.org.nz. The brochures explain our respective proposals and how to submit your answers to consultation questions.

Step 2: Please make your submission(s) online, as this will enable us to collate and analyse your submissions more easily. The website where you can do this is www.livestockgia.org.nz.

Key Dates

- **31 October** – Consultation opens
- **6 December** – Consultation closes. Submissions must be received by 12 noon.
- **21 December** – Submissions analysed, and submitters views considered (i.e. before decisions are made about whether to lodge GIA Signatory applications).
- **22 December** – If there is clear support for our proposals, this is the date by which we will aim to submit our applications to be a GIA Signatory to the Minister for Primary Industries.

More information

To find out more about the GIA visit www.gia.org.nz and the appendices at the end of this document.

You will also have received a separate brochure, or brochures, depending on your specific farming operations. The DairyNZ, B+LNZ and DINZ brochures and Summary Document were mailed in hardcopy form.

If you believe you are missing a brochure, please go to www.livestockgia.org.nz, or get in touch with the relevant industry organisation (i.e. DairyNZ, B+LNZ or DINZ).

If you have any questions about the information in this document, the Summary Document, our individual brochure(s), or the feedback process for each of our organisations, please contact the appropriate organisation:

- **DairyNZ** email: info@dairynz.co.nz
 telephone: 0800 4 DAIRYNZ (0800 4 324 7969)
- **B+LNZ** email: GIA@beeflambnz.com
 telephone: 0800 233 352 (0800 BEEFLAMB)
- **DINZ** email: info@deernz.org
 telephone: 04 473 4500

EXECUTIVE SUMMARY

What are we seeking?

DairyNZ, B+LNZ and DINZ are asking for your support for us to join other leading farming and agribusiness organisations in signing the Government Industry Agreement for Biosecurity Readiness and Response Deed (GIA). We also need to know that you support how we propose to represent your interests and pay for our GIA commitments.

Why should we sign the GIA?

More influence

Signing the GIA means we can participate in, and better influence, joint decision-making with the Government and other GIA Signatories about:

- prioritisation of biosecurity risks
- how to improve preparedness to reduce the impacts and costs of responses
- strategic approaches to responses
- fair and consistent cost sharing across all sectors and with the Government.

More certainty

We will have a lot more up-front certainty about actions to be taken, responsibilities, costs and cost-shares. Our involvement as a GIA Signatory will also:

- build our credibility and reputation as a responsible industry around biosecurity
- help us to improve the return on our existing biosecurity investments
- help us to identify and address our sector's actual biosecurity risks and liabilities in a fair and consistent way.

More prepared

Although focused on readiness³ and response for an actual exotic pest or disease incursion, the GIA supports engagement across the broader biosecurity system, by giving GIA Signatories increasing visibility of emerging risks and effectiveness of the whole biosecurity system.

GIA Signatories would agree readiness and response plans for specific sector risk organisms in advance – so, when a response occurs, there is increased confidence, about what actions will be taken, when, for how long, and by whom.

Being part of the GIA will help us deploy our resources in an agreed and cost-effective way, to help minimise the risks posed by the unwanted pests and diseases that are likely to have a significant impact on our industries. GIA minimum commitments align closely with our existing, business as usual approach. For example, the administration, technical and communications resources we already use to engage in biosecurity forums, manage risks and support response activities will continue to be deployed under GIA.

There should be no surprises. As GIA Signatories, we could contract with the Government and other relevant sectors on readiness and response activities through agreements called Operational Agreements. These Agreements can be about specific pests and diseases, groups of organisms, specific pest entry pathways surveillance, or activities to improve biosecurity readiness or response. For example, an Operational Agreement for the risks associated with a Foot and Mouth Disease outbreak is currently being negotiated. We can also set a limit on our costs under Operational Agreements. This limit is called a fiscal cap.

³Readiness includes developing operational systems and capabilities before an exotic pest or disease incursion happens – ie, being ready to respond as effectively as possible.

What happens if we don't sign?

If we don't sign the GIA, our ability to influence biosecurity decision-making would be affected. Non-Signatory organisations will have no decision rights in responses and the Ministry for Primary Industries (MPI) would use relatively new powers under the Biosecurity Act to cost recover our sector's share of the bill, if it believes we benefitted from MPI's and/or other sectors readiness and response activities.

If we are not a GIA Signatory the risks are:

- Government and existing GIA Signatories determine priority risks to our sector, with our input being limited to current stakeholder consultation channels.
- Government (and any GIA Signatories who are also beneficiaries) will decide:
 - when a response should occur
 - how to respond, and
 - when a response should stop and long-term pest management arrangements, if any, should start.
- Costs of response will be recovered from industry participants who are deemed to be beneficiaries by the Parties to an Operational Agreement and we won't be able to specify a limit. Our share of costs in an Operational Agreement will be calculated by MPI and other Signatory beneficiaries.
- Industry specific readiness activities will not have access to matching or greater Government funding.
- Sector specific efforts will duplicate or conflict with other approaches, undermining the value of biosecurity investments.
- The Government is less able to utilise our expertise and knowledge in a response and we are not able to exert as much influence around the decision table.

Specific proposals for each industry organisation

Separate hardcopy brochures have been developed and distributed by DairyNZ, B+LNZ and DINZ. The brochures provide information about our respective:

- biosecurity interests and priorities
- proposals for sector representation in GIA decision-making
- funding proposals and the implications of GIA commitments.

Consultation questions

Although DairyNZ, B+LNZ and DINZ will be separate Signatories to the GIA and our specific representation and funding proposals differ, we are asking our levy-payers or members to answer the same core consultation questions, namely:

1. Do you support us becoming a GIA Signatory?
2. Are you satisfied with how we propose to represent sector views in GIA decision-making processes?
3. Do you support the proposed arrangements for funding our commitments under the GIA?

Our individual brochures explain how to submit your answers. To ensure your views are received in time for us to consider, please ensure you **send your answers to the consultation questions to reach us before 12 noon on Wednesday 6 December 2017.**

Please make your submission(s) on-line as this will enable us to collate and analyse your submissions more easily. The website where you can do this is www.livestockgia.org.nz

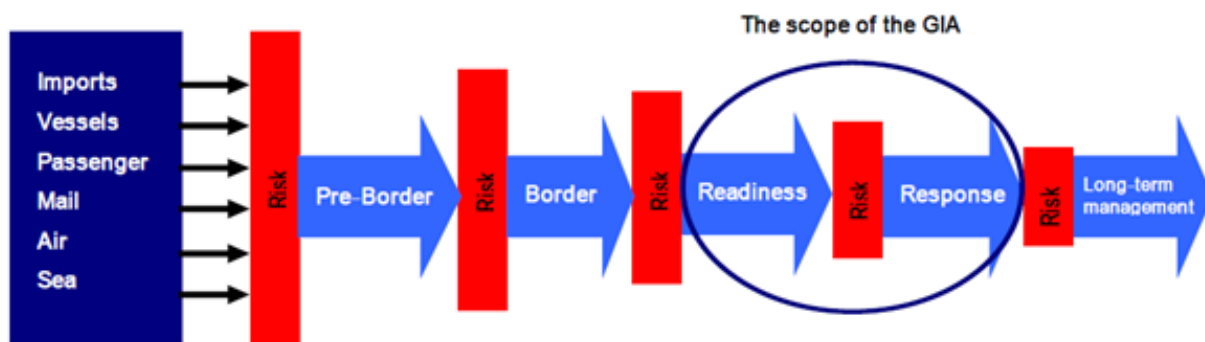
BACKGROUND

Biosecurity and the GIA

New Zealand's biosecurity processes prevent and manage risks posed by unwanted, exotic pests and diseases to the economy, environment and human health. Disease outbreaks, pasture pests, weeds and animal pests can have serious long-term financial impacts on livestock, farms and primary sector businesses, as well as health and safety impacts for people working with livestock and their products.

The diagram below shows the biosecurity continuum and where the GIA fits. The arrows show the progression of biosecurity interventions and the bars indicate the reducing level of risk due to the interventions. The ring around readiness and response interventions shows the scope of the GIA. If a response results in a successful eradication of the exotic pest or disease, there will be no need for long term management.

Diagram1: The Biosecurity Continuum and GIA



The GIA at a glance

The GIA is provided for in the Biosecurity Act.⁴ Government and industry have agreed the wording of the GIA Deed, setting out arrangements applicable to all GIA Signatories. You can read a copy of the GIA Deed at:

<http://www.gia.org.nz/Portals/79/Content/Documents/Resource-Library/GIA%20Deed.pdf>

The GIA is a partnership between primary industries and the Government. Although the decision to exercise Biosecurity Act powers is ultimately a Government responsibility, the GIA is a way for Signatories to share decision-making responsibilities and the costs of preparing for, and responding to, biosecurity incursions.

We cannot sign the GIA without a clear mandate from our constituents. That is because signing the GIA will immediately create legal obligations called 'minimum commitments' for each of us which we must fully fund ourselves. In accordance with the terms of the GIA Deed, where we agree that the sector we each represent is a beneficiary, we would also be expected to agree specific readiness and response activities in a GIA Operational Agreement, for which we would need to fund our share.

For more information on the GIA please visit the GIA website www.gia.org.nz, or refer to the questions and answers in the Appendices to this document.

⁴See Part 5A (sections 100X to 100ZH) of the Biosecurity Act 1993.

What other primary industry sectors are doing about the GIA

We will not be the first sectors to sign the GIA. As well as MPI, at 20 September 2017, the following sectors were already GIA Signatories.

Date became a GIA Signatory	Industry Organisation	Sector represented
May 2014	Kiwifruit Vine Health Incorporated & the KVH Foundation Incorporated	Kiwifruit, including Kiwiberry growers
July 2014	New Zealand Pork	Commercial pork producing sector
December 2014	New Zealand Apples and Pears Incorporated (formerly Pipfruit NZ Incorporated)	Pipfruit sector that grows fresh pipfruit for consumption, including the Nashi sector
January 2015	The New Zealand Equine Health Association Incorporated	Horse industries, including racing
October 2015	Onions New Zealand Incorporated	Commercial onion growers
November 2015	The New Zealand Forest Owners Association Incorporated	Commercial plantation forestry
February 2016	NZ Avocado Growers' Association Incorporated	Commercial avocado growers
March 2016	New Zealand Citrus Growers Incorporated	Fresh citrus fruit growers
September 2016	Tomatoes New Zealand Incorporated	Commercial fresh tomato growers
November 2016	Vegetables New Zealand Incorporated	Commercial fresh vegetable growers
December 2016	Potatoes New Zealand Incorporated	Commercial potato sector
May 2017	New Zealand Winegrowers Incorporated	Commercial grape growing and grape wine sector
August 2017	Dairy Companies Association of New Zealand	Dairy processors
September 2017	Meat Industry Association	Sheepmeat and beef processors and exporters
September 2017	Summerfruit New Zealand	Apricot, cherry, nectarine, peach and plum growers

We understand that other sectors are also working on GIA proposals or have achieved a mandate from their sectors to apply to the Minister.

The dairy processing sector and the sheep-meat and beef processing sector are among the most recent GIA Signatories. Therefore, it is important that we (as representatives of the producers of their products and of the deer farming and deer product processing, marketing and export sector) join them as GIA Signatories. This will help to ensure we all have a similar level of influence in biosecurity readiness and response decisions.

PROPOSALS

Becoming a Signatory to the GIA Deed

More influence

With your support, DairyNZ, B+LNZ and DINZ propose to become GIA Signatories, so we can participate in, and better influence, joint decision-making with the Government and other GIA Signatories about:

- prioritisation of biosecurity risks
- how to improve preparedness to reduce the impacts and costs of responses
- strategic approaches to responses
- fair and consistent cost sharing across all sectors and with government.

More certainty

Becoming GIA Signatories means that we would have more up-front certainty about actions to be taken, responsibilities, our biosecurity costs and cost-shares. Our involvement as a GIA Signatory will also:

- build our credibility and reputation as a responsible industry around biosecurity
- help us to improve the return on our existing biosecurity investments
- help us to identify and address our sector's actual biosecurity risks and liabilities in a fair and consistent way.

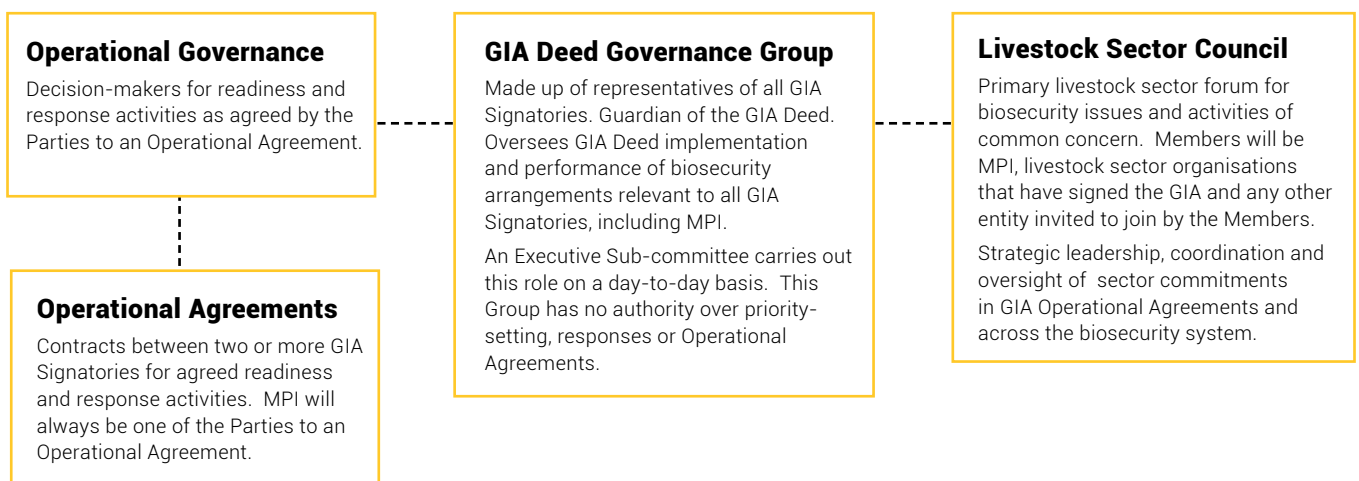
More prepared

Although focused on readiness and response for an actual exotic pest or disease incursion, the GIA supports engagement across the broader biosecurity system, by giving Signatories increasing visibility of emerging risks and effectiveness of the whole biosecurity system.

GIA Signatories would agree readiness and response plans for specific sector risk organisms in advance – so, when a response occurs, there is increased confidence, about what actions will be taken, when, for how long, and by whom.

The diagram below explains the relationships between different parts of the GIA structure directly relevant to the livestock sector.

Diagram 2: GIA Implementation and the Livestock Sector



The role of the Livestock Sector Council

The Livestock Sector Council (LSC) has been established as the primary forum for discussion and information sharing by the livestock sector on biosecurity issues and activities of common concern. LSC Members will be livestock sector GIA Signatories, MPI and any other entity that accepts an invitation from the LSC to join.

The LSC will provide strategic leadership, including around the management and prioritisation of biosecurity risks to the livestock sector. The LSC will coordinate and oversee the delivery of activities agreed in Operational Agreements by all Parties and other, wider biosecurity system activities affecting the livestock sector.

Being part of the GIA will help us deploy our resources in an agreed and cost-effective way, to help minimise the risks posed by the unwanted pests and diseases that are likely to have a significant impact on our industries.

GIA minimum commitments align closely with our existing, business as usual approach. For example, the administration, technical and communications resources we already use to engage in biosecurity forums, manage risks and support response activities will continue to be deployed under GIA.

GIA Operational Agreements

There should be no surprises. As GIA Signatories, we could contract with the Government and other relevant sectors on readiness and response activities through agreements called Operational Agreements. These Agreements can be about specific pests and diseases, groups of organisms, specific pest entry pathways surveillance, or activities to improve biosecurity readiness or response.

For example, an Operational Agreement for the risks associated with a Foot and Mouth Disease outbreak is currently being negotiated. We can also set a limit on our costs under Operational Agreements. This limit is called a fiscal cap.

What activities are done, who is responsible for undertaking them and how the costs will be shared will be specific to each Operational Agreement, although the livestock sector has agreed some cost-sharing principles that will be applicable. Signatories will also have influence over the standard and efficiency of readiness and response work.

CASE STUDY ONE: AN OPERATIONAL AGREEMENT FOR FOOT AND MOUTH DISEASE

What is foot and mouth disease and why is it important?

Foot and mouth disease (FMD) is a highly contagious viral disease that affects all cloven-hoofed animals, such as cattle, sheep, pigs, goats, deer, alpaca and llama. The virus can survive several months without a host (for example, in soil). FMD spreads quickly and before infected animals show symptoms.

New Zealand applies strict controls for imported animal products from countries with FMD. However, there will always be a small possibility that the virus could get in through illegally imported animal products or where existing controls fail to mitigate risks associated with legitimate trade.

If FMD got into New Zealand, there could be major impacts on susceptible animals, our primary industries and the economy because:

- it reduces animal productivity
- it can be very painful for infected animals
- all trade in animal products would be stopped and rural businesses (such as farms, farm contractors, animal processors, and transporters) would be affected
- it would severely impact exports of dairy, red meat and pork products for months or even years after the outbreak, as we would no longer be regarded as FMD-free by trading countries.

A 2014 MPI estimate⁵ of the economic impact of FMD on New Zealand confirms that the impact will be severe and will be measured in billions rather than millions of dollars. Therefore, early detection of FMD is vital so we can respond quickly to eradicate the disease as soon as possible, and resume trade in animal products.

What are our FMD readiness and response proposals?

The livestock sector and MPI have developed a draft FMD Operational Agreement (FMD-OA). If our proposal to sign the GIA is supported and our application to join GIA is accepted, we will work with other GIA Signatories to quickly finalise and then commit to the FMD-OA. A sub-group of the LSC will coordinate readiness and response activities under the FMD-OA. How each Party to the OA will nominate its representative (or representatives, if different people will act for readiness and response) and how the representatives will seek input to their decisions is set out in our separate brochures.

The FMD-OA will specify how the OA Parties will work in partnership to enhance FMD biosecurity risk management across the biosecurity system and meet their GIA commitments, whether minimum GIA commitments or specific readiness and response commitments that involve joint decision-making and cost-sharing.

The FMD-OA will focus on ensuring better biosecurity outcomes – how the signatories will work together to reduce impacts of FMD on the livestock sector and New Zealand by:

- Ensuring the capability to detect an FMD incursion as rapidly as possible within 7 days of initiation of the outbreak.
- Maintaining readiness policies, plans, and the operational capabilities to eradicate an outbreak of 52 infected places; of 50 days duration (which is regarded as a 'medium' scale FMD scenario).
- Minimising economic impacts to the animal industries of the incursion and response, while complying with statutory environmental obligations, and with mechanisms to manage social impacts.

Information about cost-share arrangements under the FMD-OA is included below, in the Funding section of this document. Details of commitments to be made by FMD-OA Parties are set out in Appendix 1.

CASE STUDY TWO: MYCOPLASMA BOVIS RESPONSE WITHOUT A GIA OPERATIONAL AGREEMENT

What is Mycoplasma bovis and why is it a biosecurity concern?

Mycoplasma bovis is a bacterium. It is not a public health concern and presents no food safety risk. Also, because *Mycoplasma bovis* is common internationally, it does not present a trade risk for New Zealand animal products. However, *Mycoplasma bovis* is a biosecurity concern because it causes illness in cattle, including udder infection (mastitis), abortion, pneumonia, and arthritis. Not all infected animals get sick, but they can pass on the disease to other animals. *Mycoplasma bovis* spreads between animals through close contact.

⁵Foot-and-Mouth Disease Economic Impact Assessment: What it means for New Zealand
MPI Technical Paper No: 2014/18 available at: www.mpi.govt.nz/dmsdocument/4406

Mycoplasma bovis was confirmed in New Zealand (South Canterbury) in July 2017. We have been working with MPI on the biosecurity response to the disease. MPI imposed legal controls (including Restricted Place Notices) restricting the movement of stock, equipment and risk materials off specified farms to contain the disease. MPI also traced previous movements of animals and other risk goods on and off those farms to find out if other farms are at risk.

In October, MPI made the decision to move forward with control measures to prevent further spread of the disease. Plans are being developed to depopulate the known infected farms and cull the animals. More information on the depopulation operation can be found on the MPI website www.mpi.govt.nz. Because New Zealand is one of the few countries where *Mycoplasma bovis* is not found naturally, DairyNZ, Federated Farmers, and B+LNZ support MPI's decisions and the actions underway to keep it that way.

How would things have been different with *Mycoplasma bovis* if the industries had been in GIA?

At this stage in the outbreak that is a difficult question to answer, but the following observations about GIA are relevant:

- Under GIA, there is opportunity to identify priority diseases that can then be prepared for in advance, including developing response plans, characterising likely disease impacts, preparing guidance for farmers and ensuring good tests are validated, available, and mechanisms to prioritise their deployment are sound. If *Mycoplasma bovis* had been identified as a priority under GIA, then likely risk pathways may have been examined by all signatories with a view to understanding whether the current risk management tools were appropriate.
- B+LNZ, DairyNZ and Federated Farmers are currently observers at the *Mycoplasma bovis* response governance meetings. If the industry organisations were GIA signatories, they would have been strongly encouraged to rapidly negotiate and sign an Operational Agreement for the pest. This would have given them the right to participate in decision making over the direction of the response and whether an attempt should be made to eradicate *Mycoplasma bovis*. Industry partners would also have participated in decisions about the intensity, mechanism and duration of the eradication effort.⁶
- These decision-making rights would, however, incur a liability on *Mycoplasma bovis* Operational Agreement Parties to fund a share of the costs of the response, even costs prior to a decision to eradicate being taken, which in the case of eradicating *Mycoplasma bovis* would be likely to be measured in millions of dollars across the beef and dairy production and processing industries.
- Those Parties could embed appropriately trained or skilled industry staff and experts within the operation of the response, allowing their expertise and industry focus to influence day to day activities at the field-level and national headquarters.
- Following the conclusion of responses, debriefs are held about how things went and what to improve for the future. *Mycoplasma bovis* Operational Agreement Parties (MPI and others) would be able to jointly set the scope and depth of this process to optimise learnings beyond what could be achieved if they were simply invited participants (ie, as non-Signatories).

What happens if we don't sign the GIA?

If we don't sign the GIA, our ability to influence biosecurity decision-making would be affected. Non-Signatory organisations will have no decision rights in responses and MPI would use relatively new powers under the Biosecurity Act to cost recover our sector's share of the bill, if it believes we benefitted from MPI's and/or other sectors readiness and response activities.

⁶As noted earlier in this document, the GIA is a partnership between primary industries and the Government. Although the decision to exercise Biosecurity Act powers is ultimately a Government responsibility, the GIA is a way for Signatories to share decision-making responsibilities and the costs of preparing for, and responding to, biosecurity incursions.

If we are not a GIA Signatory the risks are:

- Government and existing GIA Signatories determine priority risks to our sector, with our input being limited to current stakeholder consultation channels.
- Government (and any GIA Signatories who are also beneficiaries) will decide:
 - when a response should occur
 - how to respond, and
 - when a response should stop and long-term pest management arrangements, if any, should start.
- Costs of response will be recovered from industry participants who are deemed to be beneficiaries by the Parties to an Operational Agreement and we won't be able to specify a limit. Our share of costs in an Operational Agreement will be calculated by MPI and other Signatory beneficiaries.
- Industry specific readiness activities will not have access to matching or greater Government funding.
- Sector specific efforts will duplicate or conflict with other approaches, undermining the value of biosecurity investments.
- The Government is less able to utilise our expertise and knowledge in a response and we are not able to exert as much influence around the decision table.

Representation in GIA decision-making

Our separate proposals are to sign the GIA with specific sector representation as follows:

- DairyNZ would represent all New Zealand dairy farmers who produce milk from cows for supply to a dairy processor.
- B+LNZ would represent all New Zealand sheepmeat and beef producers.
- DINZ would represent all New Zealand deer farmers and processors, marketers and exporters of deer products.

DairyNZ, B+LNZ and DINZ would each make separate arrangements for ensuring that their constituents' views are represented during joint decision-making under the GIA. For details of specific proposals, please refer to our separate brochures.

Funding proposals and implications of GIA commitments

The GIA involves the primary sector taking responsibility for some of the costs previously borne by the public. Our separate brochures provide details of how DairyNZ, B+LNZ and DINZ would each fund our shares.

Under the GIA, the Government has committed to an industry contribution limit set at a maximum of 50% of the total agreed readiness or response activities for GIA partners. Pest and disease-specific fiscal caps (i.e. funding limits) may also be set for each Signatory, which are the maximum amounts each Signatory is prepared to pay under a specific Operational Agreement.

If a response continues once a fiscal cap is reached by a sector, that sector has the option to reassess whether it wishes to continue to participate and increase its fiscal cap, or to exit the response and cease to participate in decision making for that response.

Determination of the livestock industry's cost-shares for Operational Agreements will be guided by the matrix for determining Government: Industry cost share ratios, as summarised in the table below.

GIA cost sharing matrix for pests and diseases of livestock and forage

Pest and Disease category	Description and assessment criteria	Government: industry Cost-sharing Tiers ⁷			
		Readiness	Response		
			Small scale ⁸	Medium ⁹	Large ¹⁰
1	These are pests and diseases (P&Ds) that predominantly seriously affect human health and/or the environment (depletion of native fauna or taonga species) but may only have minimal direct consequences to the livestock industries. (Based on current controls, examples include anthrax, rabies).	100:0	100:0	100:0	100:0
2	These are P&Ds that have the potential to cause major national socio-economic consequences through very serious international trade losses, national market disruptions and very severe production losses in the livestock industries that are involved. This category includes diseases that may have a slightly lower national socio-economic consequence, but also have significant public health and/or environmental consequences. (Based on current controls and safe-for-trade guidelines, examples include bovine spongiform encephalopathy (BSE), foot and mouth disease (FMD), brucellosis, pestle des petits ruminants, Rift Valley fever, screw worm, vesicular stomatitis, sheep and goat pox, or rinderpest, [clover root weevil is an example of this category that is already established in New Zealand therefore not subject to GIA]).	80:20	80:20	90:10	100:0
3	These are P&Ds that have the potential to cause significant (but generally moderate) national socio-economic consequences through international trade losses, market disruptions and severe production losses to affected industries, but have minimal or no effect on human health or the environment. (Based on current controls examples include scrapie or bluetongue, velvet leaf).	70:30	70:30	80:20	90:10
4	These are P&Ds that could be classified as being mainly production loss diseases. While there may be international trade losses and local market disruptions, these would not be of a magnitude that would be expected to significantly affect the national economy. The main beneficiaries of a successful emergency response to an outbreak of such a disease would be the affected livestock industry(s).	50:50	50:50	60:40	70:30

The matrix was agreed between MPI and livestock sector organisations. The sector organisations consider these terms to be extremely favourable compared with cost shares that may be imposed by Government on non-Signatory beneficiaries.

⁷Government and Industry benefit shares are applied following the deduction of the exacerbator cost share.

⁸A small-scale response refers to five or fewer Infected Properties (IPs) for animal health diseases or Infested Properties for pasture pests, based on the scenarios developed by MPI for FMD, or otherwise agreed in a specific Operational Agreement.

⁹Between 6 and 52 Infected Properties (IPs) for animal health diseases or Infested Properties for pasture pests, but contained within a single region, or otherwise agreed in a specific Operational Agreement.

¹⁰More than 52 IPs across regional boundaries, or otherwise agreed in a specific Operational Agreement.

Under this matrix, the Government will bear a greater share of the costs where the unwanted organism has a greater macro- economic, social, and/or environmental consequence. The Government's share of response costs will also be larger for larger scale responses. The ratios in the cost share framework will apply after 20% of costs that the Government will contribute on behalf of risk exacerbators has been deducted from total costs.

After the overall Government and industry cost shares are confirmed, each Operational Agreement will specify the proportion of readiness and response cost shares for each industry sector – including both GIA Signatories that are a Party to the Agreement and non-Signatory beneficiaries.

For example, the Foot and Mouth Disease Operational Agreement (FMD-OA) provides, for response activities, that cost shares between MPI and the Livestock sector for a medium-sized response will be 92 and 8 percent respectively. The cost shares for each industry sector's share of the 8 percent will be based on each sector's output value expressed as a five-year rolling average.

As at June 2016, the rolling average approach in the draft FMD-OA results in industry sector readiness and response cost-shares as summarised in the table below.

Pest and Disease category	Industry sector proportion (%) of readiness and response cost-shares	GIA Signatory Status*
Pigs	0.9	Yes- Signatory (NZPork)
Dairy cattle milk production	46.9	DairyNZ seeking mandate through this consultation
Dairy Processors	15.6	Yes- Signatory (DCANZ)
Beef and Sheep meat production	21.4	B+LNZ seeking mandate through this consultation
Beef and Sheepmeat Processors	9.0	Yes- Signatory (MIA)
Deer	2.0	DINZ seeking mandate through this consultation
Goats	0.0	Non-signatory beneficiaries (No sector representative organisation identified)
Wool	4.3	Non-signatory beneficiaries (No sector representative organisation identified)

APPENDIX 1: MINIMUM COMMITMENTS

Working in partnership across the wider biosecurity system

Clause 3.2 of the GIA Deed sets out minimum GIA commitments. The minimum commitments are effectively things the GIA Signatories agree to do as an expected and accepted part of GIA participation – these are not cost shareable with other Signatories. All GIA Signatories will work in collaboration with each other and other stakeholders to improve biosecurity outcomes through enhanced engagement across the biosecurity system.

All Signatories will:

- Raise awareness of the benefits an effective biosecurity system brings to New Zealand.
- Actively promote behaviours that reduce both the risk of entry and the risk of spread of unwanted organisms.
- Participate in processes to actively identify, and take action to address, new and emerging biosecurity risks.
- Communicate with relevant Signatories any significant emerging biosecurity risk they become aware of, either in New Zealand or offshore, that may impact on the industry concerned, and discuss actions that might be warranted to achieve Deed outcomes.
- Be accountable to their GIA partners for their performance in managing the biosecurity risks that are their responsibility. This means that the Signatories are answerable to each other and have an expectation of account giving. It does not confer instructional authority on the Signatories to whom account is being given.
- Maintain and share with other Signatories, a list of key Signatory contacts across the biosecurity system.
- Meet in a biosecurity forum of all Signatories twice a year, or as agreed, for discussions on the biosecurity system.
- Each Industry Signatory will actively engage with its members, and MPI, to manage biosecurity risks that result from the movement of goods, people and vessels across the border, and to mitigate the potential impacts of those risks.

Industry Signatories will:

- Engage and seek input from their members to promote greater understanding of the wider biosecurity system and enhanced involvement in the system.
- Identify and prioritise unwanted organisms for their industry.
- Engage with MPI to review biosecurity risk management practices that could impact New Zealand's or the industry's biosecurity risk profile.
- Engage with MPI in the development of relevant import health standards, including the risk analyses that underpin them, through the provision of technical information and expertise.
- Contribute to the development of import standards through statutory consultation processes as relevant to the industry.
- Meet with MPI annually or as agreed, outside of the biosecurity forum. Discussions may include: a review of the biosecurity risk profile of the industry; analysis of risk management measures in place to mitigate the entry and potential impact of priority unwanted organisms; performance of pre-border, border and post-border actions; new and emerging risks; and additional readiness and response actions that may be implemented through an Operational Agreement.

The Livestock Sector Council will play an important role in ensuring that everyone is playing their part under the GIA generally and in accordance with the terms of any Operation Agreements to which we become a Party.

Building on the minimum GIA commitments in an FMD Operational Agreement

In developing the draft Foot and Mouth Disease Operational Agreement (FMD-OA), it was agreed that many of the GIA minimum commitments are too broad to easily interpret what they mean for the livestock sectors. Accordingly, their specific meanings for the livestock sector have been fleshed out in the FMD-OA as detailed below.

Each Party to the FMD-OA agrees that it will be accountable to the other Parties for its performance in managing the capabilities that are its responsibility. This means that the Parties are answerable to each other and have an expectation of account giving. It does not give one Party the right to order another Party to act in a particular way.

The Livestock Sector Council (LSC) will be the forum for the Parties to provide updates on how they are carrying out their respective minimum commitments.

MPI will be held to account for its GIA commitments

MPI has agreed to performance monitoring and reporting to show how it is meeting the following objectives:

- The full suite of tools, interventions and sanctions across the compliance system are being applied to achieve better biosecurity outcomes.
- Standards and operations are being reviewed and modified as necessary, based on performance information and changes in biosecurity risk.
- Consistent or improved performance in pre-border, border and regulatory management.
- Less than an agreed number of incursions within a specific category within the term of an Operational Agreement (including a generic Agreement to address the risk of incursions for currently unknown pests).

If we believe MPI has failed to meet its GIA obligations, we could initiate the GIA disputes procedure (and other Parties, including MPI, could do the same to us if we do not meet our Minimum Commitments). If MPI is found to have failed to meet its GIA obligations and that this increased the cost of responding to an incursion, then our share of response costs could be reduced.

The livestock sector's minimum commitments under an FMD-OA

All Parties will work in collaboration with each other and other stakeholders to improve readiness and response to incursion of unwanted organisms. Parties will:

- (a) Maintain a generic response strategy, covering disease management, welfare, recovery, and trade for high impact livestock incursions
- (b) Maintain an agreed plan for how the first 72-hours of a response at the operational level will be initiated and resourced.
- (c) Maintain an agreed plan and procedures describing how the first 72-hours of a response at the governance level will be initiated and resourced.
- (d) Ensure that operational response plans are reviewed and approved by Parties at regular, pre-agreed intervals.

- (e) Maintain access to fit for purpose data about places where livestock are and records of where they have been. This includes NAIT, FarmsOnline, and information from Animal Status Declarations (ASDs). Parties will support full compliance and uptake of these and ensure proportionate realisation of the biosecurity benefits offered by these systems
- (f) Share information of changing risk profiles and emerging risks garnered from organisational contacts and stakeholders and provide a trigger for industry to request reassessment of emerging risk.
- (g) Agree to a strategy detailing the actions and approaches the Parties (with a mandate and resources to do so) will pursue for improving New Zealand's trade position.
- (h) A joint disease simulation exercise plan with a 5-year horizon is developed and signed off by the Parties.
- (i) Ensure that response role holders are adequately trained in designated key response roles and attend National Response Team (NRT) training as and when required.
- (j) Maintain a policy on the deployment of vaccination for FMD.
- (k) Maintain the Resource Map and Inventory which describes roles and functions required to manage a FMD incursion under the Single Scalable Response Model and all Parties are clear where their capability is likely to be required.

MPI will manage the response systems and will maintain or establish mechanisms for Parties to become actively involved in the management of biosecurity risk across the biosecurity system. MPI will:

- (a) Maintain a Whole of Government plan to ensure other Government agencies (both central and local) understand their roles in a response.
- (b) Maintain a plan for how government, NGO's and industry will deliver welfare services in an outbreak including implementation of whole-of-government emergency management welfare functions and recovery.
- (c) Maintain system to review operational response plans, procedures and technical information to allow immediate implementation in a high impact livestock biosecurity response to manage disease in accordance with OIE requirements where specified;
 - Vaccination – describing how vaccine will be acquired, stored, handled and administered during a response.
 - Destruction - to enable well managed destruction of livestock.
 - Disposal - for carcass disposal that could be immediately implemented in any region of the country, including roles for local government, landfill operators, and transport operators.
 - Disinfection – to enable disinfection of infected properties during a response.
 - Movement control – to enable urgent movement controls (including a national standstill) to prevent spread of pathogen in accordance with OIE standards, and any other international agreements and relevant regulatory standards
 - Surveillance - for disease surveillance during an incursion.
- (d) Provide technical assistance for RORPs and on-farm biosecurity plan guidelines
- (e) Maintain biosecurity regulations (in draft on contingency) to provide a response regulatory framework to deal with the outbreak, not only domestically but to align with international requirements so that international trade may be resumed as quickly as possible.
- (f) Maintain an easily accessible system that contains processes, standards, and other resources for leading and managing biosecurity responses in New Zealand.

- (g) Maintain a compensation policy setting out scope of entitlements, together with planning for how it will be implemented.
- (h) Maintain appropriate plans, procedures, and technical documentation to implement a Freedom Surveillance Plan during a response for the purposes of showing freedom from infection to OIE and trading party requirements.
- (i) Maintain the Biosecurity Services Contract, and that NBCN is populated with the necessary people and other assets calculated to be necessary for an effective FMD response.
- (j) Maintain a free of charge reporting service for public notification of suspected unwanted pests and diseases 24/7/365.
- (k) Maintain the surveillance function that oversees passive and active surveillance system, provides reports on New Zealand's animal health status, builds networks with veterinary practices and educators, and acts as source of expertise in disease detection and analysis of animal population information.
- (l) Purchase reports and laboratory data to allow MPI to meet the international requirements incumbent on a Competent Authority. These include but are not limited to monitoring the presence or absence of animal disease including the early detection of exotic, new or emerging diseases, approving and supervising veterinary diagnostic laboratories, demonstrating veterinary infrastructure and capability. MPI contracts are of a minimum standard in order to ensure the appropriate level of physical containment is maintained and the validity of test results can be assured.
- (m) Maintain a trained team of veterinarians skilled in incursion investigation and capable of the operational, intelligence and technical planning steps required for the investigation and response start-up phase.
- (n) Maintain a contract for appropriately trained Initial Investigating Veterinarians across NZ who can get to animals, make initial diagnosis, report back to MPI within 5 hours and assist with investigation.
- (o) Maintain a Coordinated Incident Management System (CIMS) based approach to biosecurity responses called the Single Scalable Response Model (SSRM). MPI staff are proficient in using it and can assist industry staff in up skilling in the SSRM.
- (p) Maintain the Threat Planning Repository (TPR) which contains all the documentation required to manage an Incursion. Information can be accessed easily (and added to) and simultaneously by multiple users. Access is available to industry Parties.
- (q) Develop and implement an IT system to manage a response. It must be capable of exchanging data with other necessary information systems and withstand the high volume and prolonged use anticipated during a response.
- (r) Maintain financial systems that will support financial management of a response.
- (s) Maintain a database to provide a decision support tool as to the unsuitability or suitability of sites for different methods of disposal of animal carcasses.
- (t) Maintain a PC3+ laboratory that has the capability, expertise and diagnostic tools to detect livestock disease in keeping with its design specifications, business case and OIE requirements. The laboratory will make the most of opportunities to participate in the inter-laboratory proficiency testing programme and international reference panels. Maintain international agreements for confirmation of diseases outside suite for diagnostic skills.
- (u) Maintain a contingency plan for how the Diagnostics Laboratory will upscale to meet the demands of a response that can no longer be met by the existing laboratory capability.
- (v) Provide visibility and outcome performance reporting on activities and resource allocation across the wider biosecurity system to demonstrate the appropriate and effective management of pre-border, border and surveillance activities to provide confidence in the preventative measures employed to lessen the risk of incursion to industry Parties.

- (w) Maintain processes to review and revise risk profiles and associated mitigations.
- (x) Develop and maintain a strategic plan for relationships with overseas regulators and the OIE to support a rapid "return to normal".
- (y) Negotiate trade pre-agreements to allow for continued exports of animal products in an incursion and allow for rapid "return to normal".
- (z) Maintain awareness with the public on importance of biosecurity preparedness and the public's role in preventing biosecurity risks, including understanding of early reporting.
- (aa) Ensure compliance activities targeted at risk pathways are appropriate to risk assessment and performing to achieve specified risk management levels.
- (bb) Maintain a communications plan and ready template coms for first 24-hours
- (cc) Notify to industry Parties on confirmation of FMD in accordance with pre-agreed notification agreements.

Each **Industry Party** will actively engage with its members, and MPI, to manage the biosecurity risks from an incursion of unwanted organisms and to mitigate the potential impacts of those risks. Industry Parties will:

- (a) Maintain organisational plans for an incursion and how business continuity issues will be managed. This will link into the broader response strategy. This would include a plan for the first 72 hours of a response, integrated with SSRM.
- (b) Provide technical assistance for operational response plans and procedures.
- (c) Maintain Risk Organism Response Plan guidelines for dairy and meat processors.
- (d) Maintain guidelines and templates for on-farm biosecurity plans.
- (e) Maintain membership of NBCN where desirable.
- (f) Key personnel understand roles within the CIMS based SSRM.
- (g) Maintain awareness with members on importance of biosecurity preparedness and industry role in preventing biosecurity risks, including understanding of early reporting.
- (h) Maintain plan and ready template communications for communications with their memberships.

APPENDIX 2: GIA Q&A

What difference will signing the GIA make?

Currently, when there is a biosecurity incursion that affects the livestock sector, the Government (through MPI) decides what to do, if anything. MPI might consult with industry on options and the potential impact of those options, but it doesn't have to. The pre-agreed response plans and cost-share arrangements in Operational Agreements between MPI and other GIA Signatories will provide certainty, in advance, about what will happen, how MPI will exercise its biosecurity powers, and how response costs will be shared.

Being part of the GIA will enable us to participate directly in more effective joint decision-making and fair and certain cost sharing arrangements. Specifically, we can avoid being subject to mandatory cost recovery for activities where our industries are identified by others as a beneficiary but where we are given no direct input into the size of cost shares, decision making or priorities.

Operational Agreements under GIA are a public commitment by the Government and other parties to the Agreement to treat the relevant pest or disease as a priority.

Why is it necessary for industries to pay to work on biosecurity in partnership with Government?

A founding principle of the GIA is that primary sectors benefit from certain pest readiness and response activities over and above the general public, so that those sectors should pay a share of the costs proportionate to their specific benefit. The Government also recognises that some activities may increase the risk or severity of an exotic pest incursion and that the parties who knowingly carry out those activities (referred to as 'exacerbators') should also contribute towards the costs of readiness and response.

MPI's funding commitment under GIA is intended to take account of the general public share, and exacerbator and non-Signatory beneficiary shares (which it can recover later). For each livestock Operational Agreement under consideration, we will strongly advocate that all cost shares are calculated fairly to avoid unreasonable inflation of the industry Signatory share.

What rights would our industry have under the GIA?

As a Signatory to the GIA we will have the right to participate in:

- Prioritising and planning with government and other Operational Agreement Parties on joint readiness activities.
- Joint-decision making for biosecurity incursion responses.
- Development of Operational Agreements to commit Parties to activities, working arrangements, accountability arrangements and cost shares.
- Administration of the GIA and engagement across the wider biosecurity system through the GIA partnership arrangements.

What funding obligations arise from signing the GIA?

Meeting our minimum commitments requires funding, but we are performing many of them already (to a greater or lesser extent). No obligations to fund incursion responses, or readiness activities in the absence of an Operational Agreement, stem from signing the GIA Deed alone.

New pieces of readiness work may be initiated by MPI or industry and would be delivered through an Operational Agreement, which:

- makes clear what the activity is;
- what it will achieve and by when; and
- who will contribute what to meet the cost of the activities.

The decision to invest in a response will be made in the early stages of an actual incursion. GIA Signatories and whose constituents are affected by a response will be expected to share decision making responsibility and accountability for deciding whether to commence a response. Where an Operational Agreement covering responses for the unwanted organism has not been agreed in advance of the incursion, one will need to be rapidly negotiated.

Managing how GIA works generally involves all Signatories meeting from time to time and associated activities. Coordination of these activities is by a GIA Secretariat. Signing the GIA does not require us to fund this GIA administration, although MPI has signalled that contributions towards this will be sought from Signatories in the future. At that stage, the Signatories would need to agree the nature and scope of the administration they are prepared to fund.

More information about funding obligations and how these will be met are covered in the industry-specific brochures, which set out the details of our individual proposals.

Do GIA Signatories share liability for any loss or damage due to the exercise of MPI's Biosecurity Act powers during a response?

No. We would not be liable in civil proceedings for loss and damage caused by a biosecurity response (e.g. if a Court subsequently found that MPI's exercise of powers was negligent). That is because the Government (MPI) is the ultimate decision maker through the exercise of its powers under the Biosecurity Act. However, we would have to pay our agreed cost-share for responses we are part of.

What can be done if a response is not proceeding as expected?

If we decide that a response is proceeding in a way that isn't in our best interests, we can withdraw from the response, after giving reasonable notice, but we would still be liable to share the costs of any decisions taken up to the time of our withdrawal.

What else should we know about Operational Agreements under the GIA?

Operational Agreements most commonly deal with specific exotic pests and diseases and are where the detail of agreed readiness or response activities is specified, and where the real financial commitments will occur.

Operational Agreements will specify cost sharing rules and identify non-Signatory beneficiaries. Livestock organisations have agreed a framework to guide the identification of cost shares under Operational Agreements, so specific rules will be in accordance with that framework.

Subject to over-arching provisions in the Biosecurity Act, they can also cover detail on what compensation is available for under a response and the extent to which the Parties are liable for sharing the cost of it.

For responses, Operational Agreements could require the development of pre-agreed plans on how aspects of a response will be run.

The GIA also makes provision for negotiation of a rapid Operational Agreement to deal with the incursion of unexpected exotic organisms. Making a rapid Operational Agreement would be preceded by a joint decision between MPI and at least one affected Signatory that a response is appropriate.

No cost sharing would apply to a Signatory unless it agrees that a response is necessary. Signatories have the right to decline to participate in and pay for activities where they do not agree that they are beneficiaries.

What commitments must MPI honour under the GIA?

As well as the minimum GIA commitments, MPI must also honour other GIA commitments across the biosecurity system. The GIA requires MPI to manage the biosecurity risk created by the movement of goods, people and vessels across the border and to maintain or establish mechanisms for GIA Signatories to become actively involved in the management of biosecurity risk across the biosecurity system.

Under the GIA MPI is committed to:

- a. Maintain appropriate capacity and capability for pre-border and border biosecurity risk management.
- b. Undertake risk analysis and develop import health standards to achieve optimum biosecurity risk management, consistent with international and statutory obligations, and engaging with affected industry Signatories from an early stage.
- c. Implement statutory standards and verifications to achieve improved biosecurity outcomes. Implement a transparent process for assessing biosecurity system performance, to monitor and measure ongoing biosecurity operations and outcomes.
- d. Apply the full suite of tools, interventions and sanctions across the compliance system to achieve better biosecurity outcomes.
- e. Review standards and operations and modify these as necessary, based on performance information and changes in biosecurity risk.
- f. Meet with each industry annually or as agreed, outside of the biosecurity forum, and provide a report of general and industry-specific biosecurity risk management outcomes, as the basis for bilateral discussions on the biosecurity risks for the industry and their management. Discussions may include: a review of the biosecurity risk profile of the industry; analysis of risk management measures in place to mitigate the entry and potential impact of priority unwanted organisms; performance of pre-border, border and post-border actions; new and emerging risks; and additional readiness and response actions that may be implemented through an Operational Agreement.

These GIA commitments are additional to biosecurity obligations imposed on MPI under the Biosecurity Act.

What else should we know about the GIA?

Other key things to note about the GIA are:

- Readiness and response activities are primarily aimed at notifiable and/or unwanted organisms that are not currently established in New Zealand.
- Although industry Signatories have input through consultation processes, international treaties and trade agreements prevent such Signatories having decision-making rights on border standards. This position, by making the exercise of binding judgments on matters of risk independent of commercial interests, is necessary to protect the freedom of access for New Zealand's produce into export markets.
- Signatories may withdraw from the Deed by giving 6 months' notice in writing to the Secretariat. They can withdraw from Operational Agreements by giving reasonable notice.

Will the National Bovine TB Plan be covered under GIA?

No. The GIA is exclusively about readiness and responses relating to exotic pest and disease incursions. The GIA has nothing to do with the long-term management of pests and diseases already established in New Zealand.

Will our industry's existing biosecurity investments count towards our industry share of readiness costs?

This will depend on the nature of the investment, but we expect that most of the current investments will be treated as non-cost shareable minimum commitments. With some exceptions, readiness activities under GIA will tend to be new activities.

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