

Financial arrangements joint working group (JWG)

Meeting 4/2014

01 July 2014

Communiqué

Members

Alan Pollard; Pipfruit NZ

Barry O'Neil; KVH Limited

Brendan Gould; MPI

Chris Baddeley; MPI

Chris Houston; Beef + Lamb NZ

Ed Massey; MPI

Fleur Matthews; MPI

Gisele Irvine; Multiple Horticulture

Kimberly Crewther; Dairy NZ

Martin Burns; NZEHA (racing board)

Paul Goldstone; MIA

Philip Gregan; NZ Winegrowers

Secretariat

Adam Benseman & Lois Ransom (Chair)

Apologies

Apologies were received from Mr Baddeley and Dr Gould. Mr Pollard was unable to attend and Dr Mike Butcher represented Pipfruit NZ.

Ed Massey of MPI is now a full member of this JWG and was introduced.

Dr Brent Layton was present for the meeting to offer economic advice and theory to the group.

Matters discussed

The GIA Financial Arrangements Joint Working Group (JWG) met for the fourth time on 01 July 2014 in Wellington to test their draft principles for establishing cost shares and fiscal caps.

The JWG considered six unwanted organisms and the impact of each using fictitious data sheets and other resource materials including draft standard criteria for assessing impact. Each participant made their own assessment before the meeting and rated impacts from each organism to human health, environmental, socio-cultural, Maori and economic categories consistent with the scenario in clause 5.1.8 of the Deed.

The group shared their interpretation and assessment of impacts. The group agreed that the results of any categorisation exercise would be used to inform a discussion about cost shares rather than determining what cost shares actually were. Discussions informed the consideration of standard criteria, their boundaries and their relationship to each other.

An external economist helped the group understand some key theories and considerations as it compared the assessments and worked through the impact criteria. One key consideration for the group was the importance of clear and independent categories to split out direct impacts and to

reduce the likelihood of counting an impact more than once. The group discussed the possibility of a decision tree to direct a consistent approach to impact assessment.

The JWG reviewed the draft principles for cost sharing and fiscal caps with reference to exercise discussions and outcomes. Additional text was drafted for core principles around direct and indirect impacts, macro-and regional economic impacts, identifying beneficiaries and equity.

The JWG will present a forum discussion paper to the Transitional Deed Governance Group (TDGG) in July 2014 for approval to circulate to participants of the GIA Biosecurity Forum 2014/II in September. The Forum paper will recommend that (potential) Signatories note the principles for cost sharing and fiscal caps.

For more information on the Financial Arrangements JWG, please contact Adam Benseman, GIA Secretariat.