

20 December 2012

**GOVERNMENT INDUSTRY AGREEMENTS  
FOR BIOSECURITY READINESS AND RESPONSE**

**PROPOSED  
DEED OF AGREEMENT**

# Table of contents

1. Basis of this Deed
  - 1.1 Preamble
  - 1.2 Principles for the Signatories to work in partnership
  - 1.3 Scope of this Deed
2. What the Signatories bring to this Deed
  - 2.1 Partnership in the wider biosecurity system
  - 2.2 Commitments
  - 2.3 Exacerbators
3. Administration of this Deed
  - 3.1 Governance
  - 3.2 Secretariat
  - 3.3 Review and variation
  - 3.4 Withdrawing from this Deed
  - 3.5 Disputes
4. Financial arrangements
  - 4.1 Cost sharing
  - 4.2 Financial processes
5. Implementing Government Industry Agreements under this Deed
  - 5.1 Operational Agreements
  - 5.2 Withdrawal from Operational Agreements and/or readiness and response activities
  - 5.3 Organisms for which there is not an Operational Agreement

## Glossary

## Schedule 1 Cost-share details

- Part 1: Shareable costs
- Part 2: Cost-share categories
- Part 3 Transitional discount arrangements

# 1. Basis of this Deed

## 1.1 Preamble

*Biosecurity is a shared responsibility and benefits all New Zealanders. This Deed of Agreement establishes the basis for a transparent, consistent and equitable partnership between Government and industry for biosecurity readiness and response. It outlines the principles of the partnerships between Signatories and the commitments that each will make to deliver the Government Industry Agreements outcomes. This Deed sets out governance arrangements for decision making, funding and operations that support its implementation.*

**Objective and outcome:**

- 1.1.1 The **objective** of Government Industry Agreements is to deliver an integrated approach to prepare for and effectively respond to biosecurity risks through the implementation of industry and Government partnership arrangements.
- 1.1.2 The **outcome** of this process will be a robust and collaborative approach to reduce the harm caused by the entry and emergence of pests and diseases that would have a significant adverse effect on the New Zealand environment, economy or community, through the development of proactive risk-based readiness and response capacity and capability.

## 1.2 Principles for the Signatories to work in partnership

*A set of agreed principles underpins this Deed and defines how the Signatories will work together. They are a reference point for ongoing evolution of readiness and response arrangements, and for resolving issues for matters where there is not yet agreed policy and procedure.*

**The Principles:**

- 1.2.1 Partnership amongst Signatories will involve joint decision-making and cost-sharing for biosecurity readiness and response.
- 1.2.2 Signatories will work together transparently across all aspects of biosecurity to reduce the adverse effects of harmful organisms to New Zealand.
- 1.2.3 Decision-making under this Deed will treat all Signatories consistently.
- 1.2.4 The costs and benefits of biosecurity activities will be shared equitably amongst Signatories, and costs will be recovered from non-Signatory beneficiaries and exacerbators outside Deed processes.

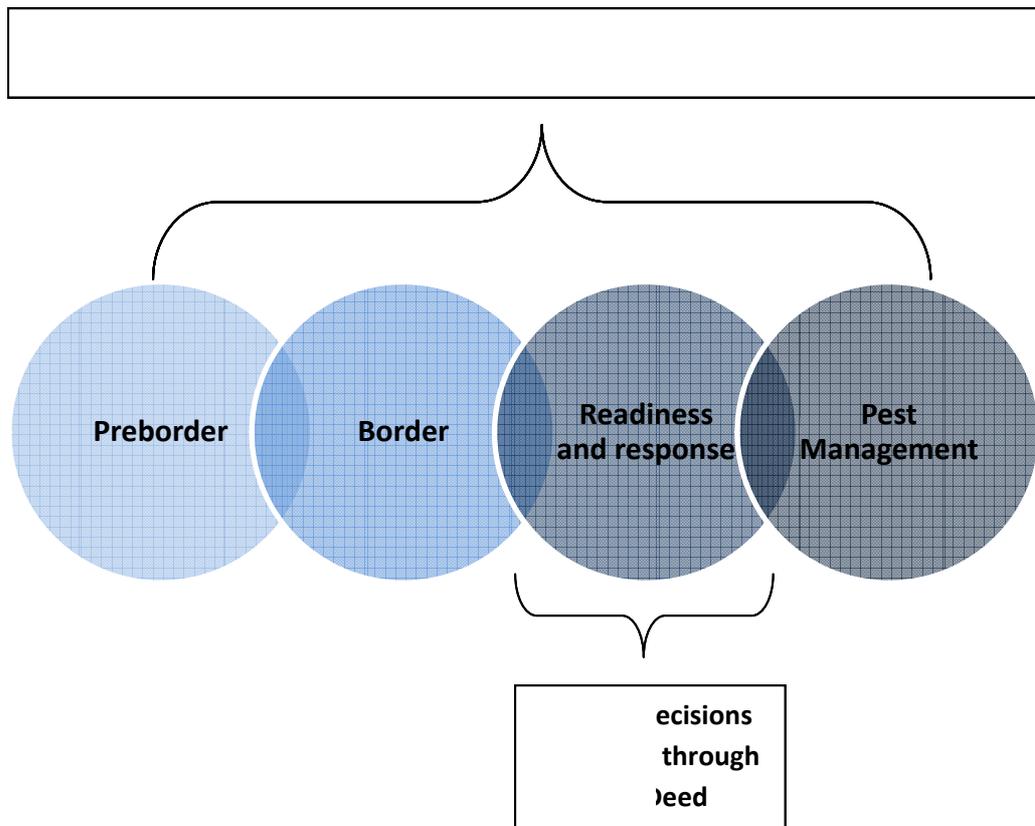
## 1.3 Scope of this Deed

*The scope definition sets a clear boundary, defining what is dealt with under provisions of this Deed and what is dealt with under other processes.*

Included in the scope of this Deed are:

- 1.3.1 Engagement on the end-to-end biosecurity system.
- 1.3.2 Sharing of costs and joint decision making on readiness and response, including regaining market access [during the term of the response]<sup>1</sup>, for unwanted or new to New Zealand organisms that:
  - a. We haven't got and don't want, but are getting prepared for.
  - b. Are recently detected and may be able to be eradicated or contained during the term of a response.
  - c. Are established, and there is now a way of eradicating or containing.
  - d. Are established, but are expressing in new ways and may be able to be eradicated.

Figure 1: Deed scope with reference to the New Zealand biosecurity system



<sup>1</sup> The square bracket is there as the response may cease before market access is regained, but the term of the response is a matter between the Signatories.

## 2. What the Signatories bring to this Deed

*Signatories to this Deed are committed to contributing to the ongoing development and enhancement of New Zealand's biosecurity system, recognising the specific roles and responsibilities that Government and industry have in achieving this outcome, and the commitments they bring to the partnership.*

### 2.1 Partnership in the wider biosecurity system

*New Zealand's biosecurity system spans activities offshore, at border, and onshore that mitigate the risk of introduction of pests and diseases, and minimise the impact of established organisms on the economy, environment and community. This Deed recognises and acknowledges the activities and investment of Signatories and the stakeholders they represent in the biosecurity system. It identifies commitments that Signatories make to ongoing investment in readiness and response through minimum commitments and specific other investments in priority pests and diseases. While this Deed focuses on biosecurity readiness and response, the Signatories also seek an outcome of constructive, ongoing and proactive engagement on the wider biosecurity system to identify and reduce biosecurity risks and increase their understanding of and confidence in the system.*

#### 2.1.1 All Signatories agree to:

- a. Inform each other of any significant biosecurity issues that they believe will have a negative impact on New Zealand's biosecurity.
- b. Inform each other of any significant emerging biosecurity risk that 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.
- c. Meet twice a year for open and broad-ranging discussions on the biosecurity system and how the partnership can better engage in the end-to-end biosecurity system.

#### 2.1.2 Government, through the Ministry for Primary Industries, will ensure that industry Signatories have early opportunity to be aware of and fully engaged in the consultation processes open to them, including:

- a. Developing or amending import health standards.
- b. Contributing to export market access priorities and strategies.
- c. Developing or significantly changing biosecurity policies that are not covered by Operational Agreements.
- d. Amending the Biosecurity Act 1993, regulations or statutory plans.
- e. Maintaining a public list of key Ministry for Primary Industries' contact officers covering the biosecurity system.

#### 2.1.3 Industry Signatories will ensure that they actively engage with their members in order to advise Government of any significant pest management

or other industry changes that will impact New Zealand's biosecurity and to facilitate communication around the wider biosecurity system.

## **2.2 Commitments**

*The minimum commitments and specific commitments made by Signatories form the basis for delivering Deed outcomes. They are drawn from the capacity and capability that Signatories contribute to the biosecurity system and are not eligible for cost sharing. They set the foundation of Government and industry commitments to the partnership and provide certainty and transparency over what each Signatory will contribute. They reflect the role that industry organisations play in representing the interests of their members in the Government Industry Agreements. Signatories acknowledge that the biosecurity capacity of industries is variable. There is, however, an expectation that all Signatories will have, as a minimum, the capacity and capability to participate in Deed governance processes, and to provide the specific resources necessary for an industry organisation to achieve the outcomes of this Deed. Biosecurity commitments of Government are relevant to the role and responsibilities of Government, and are largely delivered by the Ministry for Primary Industries. Commitments of industry are relevant to the role and responsibility of industry. Specific commitments of Ministry for Primary Industries and industries will be detailed in Operational Agreements.*

**2.2.1 Minimum commitments for all Signatories to achieve Deed outcomes include, but are not limited to:**

- a. Maintaining access to technical biosecurity capacity and capability.
- b. Raising awareness of the benefits to New Zealand from an effective biosecurity system and actively promoting behaviours that reduce the risk of entry of unwanted organisms.
- c. Maintaining or improving the capacity to recognise and rapidly report any unknown organisms.
- d. Promoting awareness and use of mechanisms to report changes in New Zealand's biosecurity status.
- e. Establishing and maintaining mechanisms to communicate with and between members.
- f. Securing and maintaining sufficient resources to meet core commitments for the administration of this Deed including annual meetings, consultation and decision making.
- g. Establishing or accessing the capacity necessary to develop and deliver Operational Agreements to implement this Deed either alone or in partnership with others.
- h. Developing and applying mechanisms to cost-share readiness and response activities.

2.2.2 **Specific Government commitments** to this Deed and its implementation include, but are not be limited to:

- a. Maintaining a core competency to deliver effective response and readiness activities including diagnostic and investigation capability.
- b. Rapidly notifying potentially affected Signatories when a new or unwanted organism is identified.
- c. Urgently establishing preliminary response arrangements consistent with Deed requirements, including initiating decision making, cost sharing and impact/risk analysis processes.
- d. Managing trade and market access issues arising from the detection of the organism including international reporting obligations to expedite a return to trade as soon as possible.
- e. Representing the interests of non-Signatories and other stakeholders.
- f. Facilitating access for industry Signatories to Crown loans, as a last resort, to fund response commitments under this Deed.

2.2.3 **Specific industry Signatory commitments** to this Deed and its implementation agreements include, but are not be limited to:

- a. Raising awareness of response arrangements described in the Ministry for Primary Industries' response procedures and policies, and working with Government to integrate industry into response delivery programmes and processes.
- b. Reducing or managing biosecurity risks that their activities create by working with their industry to identify biosecurity risks and determine best actions to mitigate their impact where they are best place to do so.
- c. Raising awareness of the commitments that have been made through Operational Agreements and working in collaboration with Government and others to deliver the agreed outcomes.
- d. Securing appropriately skilled and committed people to engage in readiness and response. This may include technical and operational experts.
- e. Communicating within the industry about Government Industry Agreements and biosecurity in general to achieve better biosecurity outcomes.
- f. Encouraging early reporting of pests and diseases to Ministry for Primary Industries.

## 2.3 Exacerbators

*The Signatories agree, in principle, that responsibility for biosecurity costs should be shared between those individuals undertaking risk activities (exacerbators) and those individuals benefiting from the mitigation of risk delivered through provision of these activities (beneficiaries). They acknowledge that exacerbators are unlikely to volunteer to contribute to readiness and response costs, and that the ability of Government to require such contributions is limited by international treaty obligations including the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement), as well as domestic legislation and policies.*

2.3.1 All Signatories will engage across the biosecurity system to ensure that biosecurity policies and processes are risk-based and achieve the best possible management of biosecurity risks.

*[NOTE: Three options for defining and recovering exacerbator contributions to cost sharing of readiness and response activities that reflects the impact of risks that are created or increased through their activities, are presented in square brackets. Changes in this section will be reflected in changes to the Financial Arrangements section 4.2.7.]*

### *Option A*

- 2.3.2A [Recognising that it would be difficult for the Government to apply a levy to law abiding exacerbators in order to gather funding for the costs of readiness and response activities, the Signatories will engage with exacerbators to encourage them to adopt behaviours that minimise risk. Ministry for Primary Industries will use its compliance strategy, including the powers of the Biosecurity Act 1993, to reinforce this and achieve the best possible compliance.
- 2.3.3A Signatories will provide any information they hold to the Ministry for Primary Industries that may help the Ministry for Primary Industries in the effective implementation of compliance actions.
- 2.3.4A The Government will provide funding for general readiness and response activities to recognise the public good and to help balance the requirement for equity between exacerbators and beneficiaries with New Zealand's international obligations (for as long as this remains Government policy). The Government will recover costs from exacerbators where it is practicable and reasonable to do so and where it has the power to do so under the Biosecurity Act and international trade agreements.
- 2.3.5A Specific commitments of Government to reduce the cost of biosecurity impacts of exacerbators include that it:
- 2.3.6A May apply a routine levy on exacerbators to meet the exacerbators' share of costs if and when it considers such a levy appropriate.
- 2.3.7A May use whatever legal means it has at its disposal to pursue exacerbators it considers have acted unlawfully for readiness and response costs that are a direct result of the unlawful act or omission.]

*Option B*

- 2.3.2B [In order to balance the requirement for equity between exacerbators and beneficiaries with New Zealand's international obligations, the Signatories agree that:
- 2.3.3B For any given pest or disease, all sharable readiness and response costs will be divided equally between an exacerbators' portion and a beneficiaries' portion.
- 2.3.4B The Crown will bear the exacerbators' portion of costs, and:
- a. The Crown may apply a routine levy on exacerbators to meet the exacerbators' portion of costs if and when it considers such a levy appropriate.
  - b. The Crown may use whatever legal means it has at its disposal, including under the Biosecurity Act 1993, to pursue exacerbators it considers have acted unlawfully, for readiness and response costs that are a direct result of the unlawful act or omission.
  - c. The Crown may apply revenues generated through application of fines for breaches under the Biosecurity Act 1993 to the exacerbators' portion of readiness and response costs.
- 2.3.8B The Signatories will negotiate to agree a split of benefits of readiness and response activities between 'industry benefit' and 'public benefit'.
- 2.3.9B The beneficiaries' portion of readiness and response costs will be shared between the Crown and industry participant(s) according to the benefit split negotiated under this Deed.]

*Option C*

- 2.3.2C [The free flow of people and goods into New Zealand is considered a public benefit for the purpose of cost sharing calculation and will take regard of the probability that such flow of people and goods will contribute to the risk of an incursion.
- 2.3.3C While the Crown will bear the exacerbators' portion of costs, it may:
- a. Apply a routine levy on exacerbators to meet the exacerbators' portion of costs if and when it considers such a levy appropriate.
  - b. Use whatsoever legal means it has at its disposal, including under the Biosecurity Act 1993, to pursue exacerbators it considers have acted unlawfully, for readiness and response costs that are a direct result of the unlawful act or omission.
  - c. Apply revenues generated through application of fines for breaches under the Biosecurity Act 1993 to the exacerbators portions of readiness and response costs.]

## 3. Administration of this Deed

### 3.1 Governance

*This Deed establishes a Governance Group and Secretariat, and the governance operations needed to administer this Deed and its provisions. The Governance Group is the primary partnership forum where Government and industry will engage together to improve the operation and understanding of the end-to-end biosecurity system.*

#### **Government Industry Agreements Governance Group**

- 3.1.1 Each Signatory to this Deed will be entitled to appoint one person to represent their organisation on the Government Industry Agreements Governance Group.
- 3.1.2 Decisions at the Government Industry Agreements Governance Group will be made on a consensus basis, except election of the chair who will be elected by a majority.
- 3.1.3 The Government Industry Agreements Governance Group will formulate a set of operational rules, which may be amended by the Group as provided by those rules.
- 3.1.4 The Government Industry Agreements Governance Group will have oversight of all Government Industry Agreements processes, and give direction to the Government Industry Agreements Secretariat, but will not have decision-making powers in terms of any commitments (financial or otherwise) of any Signatory.
- 3.1.5 The Governance Group's primary roles will be to:
  - a. Approve the annual work plan and budget for the Government Industry Agreements Secretariat.
  - b. Monitor the delivery of the Government Industry Agreements Secretariat annual work plan and budget and finances.
  - c. Develop and approve policies, procedures and guidelines related to Government Industry Agreements processes.
  - d. Consider and recommend to Signatories any proposed amendments to the Government Industry Agreements Deed.
  - e. Appoint and monitor the performance of the Government Industry Agreements Secretariat Manager.
- 3.1.6 The Government Industry Agreements Governance Group may delegate designated responsibilities to an executive committee, working group, sub-committee or individual.

## Decision making

*A decision-making principle of consensus ensures shared commitment in Deed governance and subsidiary agreements and processes, while also making it clear that this Deed does not obviate the legal responsibilities of any Signatory.*

- 3.1.7 Decision-making under Government Industry Agreements will be by consensus, except as otherwise agreed by the Signatories for specific issues, or as specified in Operational Agreements.
- 3.1.8 Nothing in Government Industry Agreements supersedes the legal responsibilities and roles of Signatories to this Deed.

## 3.2 Secretariat

*The Government Industry Agreements Secretariat is a body that works to facilitate implementation of the partnership that is described in this Deed.*

- 3.2.1 The Government Industry Agreements Secretariat ('the Secretariat') will act in the interests of all Signatories and will not advocate the interests of one Signatory over the interests of any other Signatory.
- 3.2.2 The Secretariat's roles will include:
  - a. Facilitating the negotiation and drafting of Operational Agreements between Signatories.
  - b. Facilitating ongoing engagement on readiness plans and activities between Operational Agreement Signatories in support of delivering agreed outcomes.
  - c. Facilitating engagement between Signatories in the event of an incursion of an organism.
  - d. Supporting and advising the Governance Group in its roles as described in this Deed.
- 3.2.3 The Secretariat Manager is accountable to the Governance Group for the effective and efficient performance of these roles.
- 3.2.4 In the period to 31 December 2019, Ministry for Primary Industries has agreed that it will provide all funding for the Secretariat. On this basis, Ministry for Primary Industries will also determine the level of resourcing that is appropriate for the Secretariat.
- 3.2.5 The Governance Group will review the Secretariat role and function by 30 June 2017 and will make recommendations to Signatories regarding:
  - a. The ongoing existence of the Secretariat.
  - b. Any changes to its role and function.
  - c. Arrangements, including financial arrangements, that should be made for its ongoing operation, if this is supported by the review.

### **3.3 Review and variation**

*The Deed will be reviewed periodically to ensure it remains current and delivers the outcome for which it was developed.*

- 3.3.1 The Signatories will review the operation of this Deed after two years of its entry into force.
- 3.3.2 Subsequent reviews will be undertaken as mandated by the Governance Group.
- 3.3.3 The Deed may be reviewed at any point after the first review, but will be reviewed at least every five years.
- 3.3.4 The Governance Group will agree the Terms of Reference for any review.
- 3.3.5 Any aspect of this Deed may be varied on agreement of all the Signatories.

### **3.4 Withdrawing from this Deed**

*Signatories can withdraw from Government Industry Agreements processes subject to agreed procedures and in full understanding that commitments and resultant liabilities made to the time of withdrawal will be met.*

- 3.4.1 A Deed Signatory may, by giving not less than three months notice in writing to the Government Industry Agreements Secretariat, withdraw from this Deed and terminate its participation in Deed processes.
- 3.4.2 A decision to withdraw from this Deed also denotes an intention to withdraw from any Operational Agreement(s) that the withdrawing Signatory has come into force.
- 3.4.3 Any Signatory withdrawing from this Deed will remain liable for liabilities accrued to other Signatories to this Deed up to the date on which the notice takes effect.
- 3.4.4 When a Signatory withdraws, the Secretariat Manager will advise the remaining Signatories within 30 days of receiving a notice of withdrawal.

### **3.5 Disputes**

*This Deed recognises that disputes may arise and commits the Signatories to work in partnership so that disputes are resolved effectively.*

- 3.5.1 In the spirit of partnership, in the event of a dispute, the parties to the dispute will ensure that decision makers at an appropriate level in their organisations, engage in meaningful dialogue to attempt to resolve the dispute. It is agreed that the dispute will only be referred to mediation after such dialogue has taken place.

## 4. Financial arrangements

### 4.1 Cost sharing

*Certain costs associated with readiness and response activities, including in-kind contributions, are shared between the Government and industry. Examples of shareable costs are described in Schedule 1 Part 1. The Government has agreed that industry share of costs will initially start at a low level and will transition to full cost-share over a six year period for readiness and response activities as detailed in Schedule 1 Part 3.*

- 4.1.1 Cost-shares for specific readiness and response activities will be agreed by Signatories and recorded in Operational Agreements.
- 4.1.2 Signatories must take reasonable steps to ensure that they can meet their cost-sharing obligations.
- 4.1.3 Signatories will determine cost-share in a transparent and equitable manner taking into account the relative public and industry benefits from readiness and response activities.
- 4.1.4 Cost-shares will be determined in advance before undertaking any readiness or response activities for an individual pest or disease.
- 4.1.5 Once a cost-share has been agreed, it will only be modified in exceptional circumstances and will not be modified to reflect the actual benefits arising from particular activities.
- 4.1.6 Cost-shares will be based on the five broad categories set out in Schedule 1 Part 2. The Government has agreed to pay a minimum of 50% for readiness and response activities agreed under an Operational Agreement.
- 4.1.7 Each cost-share represents the proportion of public to industry benefit that is likely to accrue in avoiding the impacts of the organism. This is determined by Signatories who will:
  - a. Agree impacts of the organism on the public and industry (including non-Signatory industry beneficiaries).
  - b. Calculate benefits using a mixture of quantitative values (NZ dollars), where known, and qualitative statements when it is difficult to value in dollar terms.
  - c. Agree the benefits of risk reduction, avoidance or mitigation by calculating the benefit over a one-year period assuming that: the organism was to spread to its full possible range within New Zealand, no response had taken place, and minimal management options had been implemented, and then:
    - i. Calculating the proportion of public benefit to industry benefit and assigning the response to one of the five cost-share categories set out in Schedule 1 Part 2.
    - ii. Determining whether additional non-financial components in the public benefit should change the classification to another cost-share category.

- 4.1.8 Costs may include cash expenditure or 'in kind' contribution for readiness or response activities. Operational Agreements will specify who pays for costs in the first instance and how in kind contributions will be valued. These contributions will be accounted for in the reconciliation of costs either at the end or at intervals during the activity.
- 4.1.9 Where there are multiple industry Signatories, the industry cost-share will be determined based on the proportional benefits of each industry (including non-Signatory beneficiary) in avoiding the impact.
- 4.1.10 The amount that may be eligible for cost sharing under a Response Plan may not exceed the fiscal cap unless agreed in writing by the Operational Agreement Signatories.
- 4.1.11 Where a non-Signatory has been identified by the Operational Agreement Signatories as a beneficiary, the Ministry for Primary Industries will meet that non-Signatory's share of sharable costs, but may seek to recover costs from that beneficiary non-Signatory pursuant to section 137 of the Biosecurity Act 1993 if it is considered equitable and efficient to do so. The Crown (the Ministry for Primary Industries) will retain all funding recovered from non-Signatories.
- 4.1.12 Where an exacerbator has been identified, the Ministry for Primary Industries will seek to recover costs from that person pursuant to section 137 of the Biosecurity Act 1993. Any amounts recovered, less all costs associated with the recovery, will be shared between the Ministry for Primary Industries and Operational Agreement Signatories in proportion to their cost-share.

*[NOTE: This section may be modified consistent with final agreed text on exacerbators]*

## **4.2 Financial processes**

- 4.2.1 Following the completion of readiness and response activities, each Operational Agreement Signatory will provide information on costs incurred by that Signatory to the Secretariat. The Secretariat will calculate the total cost of the activity and any amounts due from one Signatory to another.
- 4.2.2 Operational Agreement Signatories may agree to set a fiscal cap on monies that may be expended under that Operational Agreement.

# 5. Implementing Government Industry Agreements under this Deed

## 5.1 Operational agreements

*Operational Agreements provide for joint decision-making and investment between Deed Signatories to achieve specific outcomes for enhanced readiness and/or response.*

- 5.1.1 Signatories to this Deed can enter into Operational Agreements for readiness and/or response activities. Operational Agreements will involve the Ministry for Primary Industries and one or more industry Signatories, and will be focussed on achieving an agreed biosecurity outcome. Signatories may enter into one or more Operational Agreements.
- 5.1.2 Operational Agreements will describe arrangements to achieve outcomes related to:
- a. Specific pests or diseases.
  - b. Groups of pests or diseases.
  - c. Activities that improve overall biosecurity readiness and/or response.
- 5.1.3 Operational Agreements should include (but need not be limited to):
- a. Scope.
  - b. Statement of potential impacts of the harmful organism (pest/disease).
  - c. Governance.
  - d. Decision-making.
  - e. Financial commitments, including cost-share, in kind contributions, fiscal caps and/or budget as necessary.
  - f. Specific commitments for each Signatory.
  - g. Dispute settlement.
  - h. Review and variation.
  - i. Withdrawal processes and procedures, and obligations on withdrawing Signatories.
- 5.1.4 In the development of Operational Agreements Signatories might also consider how to deal with:
- a. Exacerbators, including identifying who they are and how their behaviours can change to mitigate risks.
  - b. Non-Signatory beneficiaries, including how to engage/consult and cost recover from them.

## 5.2 Withdrawal from Operational Agreements and/or readiness and response activities

*Signatories may elect to withdraw from some or all of the Operational Agreements that they have established. The criteria and processes for withdrawal, and the consequences of doing so are an element of each Operational Agreement.*

- 5.2.1 Each Operational Agreement will set out the criteria and/or processes and conditions that enable Signatories to withdraw from the entire Operational Agreement, or from certain readiness and response activities covered by that Agreement.
- 5.2.2 Signatories that withdraw from an Operational Agreement or a particular activity undertaken under an Operational Agreement will remain liable for:
  - a. Liabilities accrued to other Signatories up to the date on which the notice of withdrawal takes effect.
  - b. Any obligations entered into under an Operational Agreement(s), which have been adopted prior to it giving the notice.

## 5.3 Organisms for which there is not an Operational Agreement

- 5.3.1 Where an investigation has been initiated for a new or unwanted organism for which there is no Operational Agreement, and where the Ministry for Primary Industries has determined that there is a residual biosecurity risk, the Ministry for Primary Industries will notify industries that it considers may be directly affected by the organism.
- 5.3.2 Notified Signatories will meet as soon as possible to determine whether a response will be initiated under the Government Industry Agreements. If Signatories agree that a response should be initiated, an Operational Agreement for the newly detected organism should be agreed as soon as possible.
- 5.3.3 Where no Operational Agreement that informs cost-shares has been agreed, and the affected Signatories agree to respond, then a cost-share should be agreed before undertaking any response activities. If Signatories cannot reach agreement they may agree a preliminary cost until an agreed cost-share has been determined by all affected Signatories.

## 6. Glossary

*Terms and their definitions as applied to this Deed may vary from common usage to allow precision in meaning that supports the ability of Signatories to work in partnership. Note that a number of these terms are defined in the Biosecurity Act.*

- 6.1 Exacerbator Any person (including any overseas tourist) or any organisation (including any importer of any goods), who by their action or inaction, contributes to the probability of, or causes an incursion by any pest or disease, or who by their action or inaction, contributes to the continuance or aggravation of any pest or any disease incursion, surveillance, response or management requirements.
- 6.2 Government Industry Agreement Government/Industry Agreement for readiness or response means the agreement described in section 100Z of the Biosecurity Act, that is: the agreement is made by deed between the Director-General and 1 or more industry organisations. The agreement consists of:
- (a) for a party to the deed that makes an Operational Agreement with the Director-General, the deed and the Operational Agreement:
  - (b) for a party to the deed that does not make an Operational Agreement with the Director-General, the deed.
- The agreement may include provisions on 1 or more of the following matters:
- (a) the organisms against which the parties wish to undertake readiness or response activities:
  - (b) readiness or response activities that the parties have agreed to undertake:
  - (c) joint decision-making on the readiness or response activities that the parties wish to undertake:
  - (d) the sharing of the costs of the readiness or response activities, which may include decisions on matters such as—
    - (i) the proportions in which the parties will share the costs:
    - (ii) the methods by which each party will provide its share of the costs:
    - (iii) whether or not an industry party will limit its liability to meet costs by setting a fiscal cap:
  - (e) the variation of the compensation provisions in section 162A, subject to the restriction that the Director-General may agree to vary the compensation provisions only if satisfied that the alternative provisions are unlikely to discourage early reporting of organisms or reduce the level of co-operation with readiness or response activities:
  - (f) how the parties will engage on issues relating to parts of the biosecurity system other than readiness or response activities:
  - (g) any other matter that the parties agree on.

6.3	<b>Memorandum of Understanding</b>	Means the Memorandum of Understanding, between the Director General of the Ministry For Primary Industries and industry organisations that became available for signing on 21 May 2012.
6.4	<b>New organism</b>	<p>Has the same meaning as in section 2A of the Hazardous Substances and New Organisms Act 1996.</p> <p>A new organism is:</p> <ul style="list-style-type: none"> <li>• An organism belonging to a species that was not present in New Zealand immediately before 29 July 1998.</li> <li>• An organism belonging to a species, subspecies, infrasubspecies, variety, strain, or cultivar prescribed as a risk species, where that organism was not present in New Zealand at the time of promulgation of the relevant regulation.</li> <li>• An organism for which a containment approval has been given under this Act.</li> <li>• An organism for which a conditional release approval has been given.</li> <li>• A qualifying organism approved for release with controls.</li> <li>• A genetically modified organism.</li> <li>• An organism that belongs to a species, subspecies, infrasubspecies, variety, strain, or cultivar that has been eradicated from New Zealand.</li> </ul>
6.5	<b>Readiness and response</b>	<p>Readiness activities include developing operational systems and capabilities before an emergency happens, for example contingency planning and capacity and capability building and surveillance to detect organisms. Response activities include the actions taken immediately before, during or directly after an incursion, and to help industries and communities recover, for example: investigation and identification (if possible) of suspect risk organisms, control of a risk organism by eradication or long-term management, and learning from response.</p>
6.6	<b>Residual biosecurity risk</b>	Residual biosecurity risk is the risk that remains once actions have been taken to reduce the risk of the introduction or establishment of new organisms.
6.7	<b>Signatory</b>	Includes all signatories to this Deed, and in all cases includes the Ministry for Primary Industries.
6.8	<b>Unwanted organism</b>	Has the same meaning as set out in section 2 of the Biosecurity Act 1993. That is, any organism a chief technical officer believes capable of causing unwanted harm to any natural and physical resources or human health. Including any new organism the Environmental Protection Authority (EPA) has declined approval to import, or any organism specified in the Second Schedule of the Hazardous Substances and New Organisms Act 1996.

## 7. Schedule 1 - Cost-share details

### 7.1 Part 1: Shareable costs

*There are two types of shareable costs under the Government Industry Agreement: readiness and response.*

- 7.1.1 Readiness costs are shared on an “all costs in” basis. Staff time is a shareable cost to recognise that resources for readiness are limited and staff time can be a significant, or the major cost, of readiness. For example, writing response plans or designing surveillance programmes.
- 7.1.2 Response costs are shared on a “direct and additional” basis. Only costs arising “directly” as a result of the response that are “additional” to normal expenditure are shareable. Any costs that would have been incurred irrespective of the response are not shareable. Response costs are only shareable for the duration of the response.

Table 1. Examples of shareable costs

Readiness costs	Response costs
Staff time, including permanent staff and contractors e.g. to write response plans.	Backfill or contracted staff working on the response.
Travel, accommodation and meals.	The Ministry for Primary Industries Standards staff working on the response to reinstate market access.
Training.	Travel, accommodation and meals for response.
Contract services.	Contracted service providers.
Logistical arrangements.	Communication materials.
Meeting related expenses.	Compensation.
Consumables.	Costs of obtaining consents and/ or approval required under the Resource Management Act 1991.
	Audits of contracts.
	Meeting related expenses.

## 7.2 Part 2: Cost-share categories

Table 2. Cost-share categories

Cost-share categories	Estimated benefit share		Applied cost-share	
	Government	Industry	Government	Industry
1	90%	10%	90%	10%
2	70%	30%	70%	30%
3	50%	50%	50%	50%
4	30%	70%	50%	50%
5	10%	90%	50%	50%

## 7.3 Part 3 Transitional discount arrangements

*The start for Government Industry Agreements is 1 July 2013. This triggers the timing of the transition discount process agreed to by the Government.*

7.3.1 Industry cost-shares will start at a low level and gradually increases over six years for readiness. The same phasing will apply to responses once the Government Industry Agreements comes into effect for responses (refer to Table 1 below). Cost sharing shall be phased in as follows:

7.3.1.1 Readiness - cost sharing commences from 1 July 2013. A funding transition applies from July 2013 to July 2019.

7.3.1.2 Response - response costs shall be fully funded by the Crown until 1 July 2016. A funding transition applies from July 2016 to July 2022.

**Table 3. Transitional discount arrangements**

Years	Percentage discount of industry signatories cost-share	
	Readiness	Responses
2013/14	60%	100%
2014/15	60%	100%
2015/16	40%	100%
2016/17	40%	60%
2017/18	20%	60%
2018/19	20%	40%
2019/20	0%	40%
2020/21	0%	20%
2021/22	0%	20%
2021/22	0%	0%