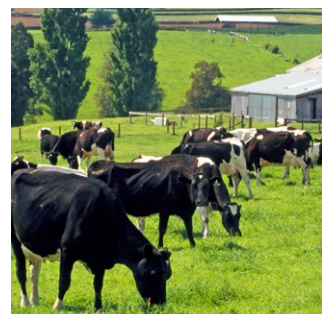
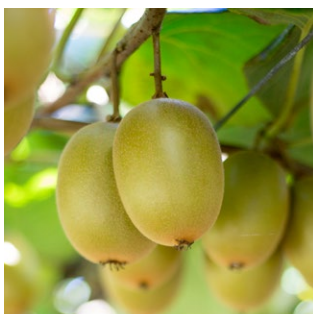
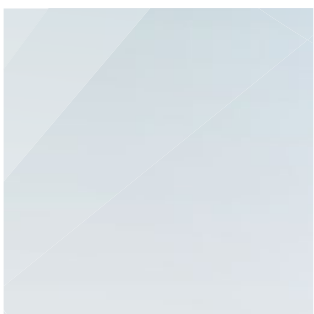
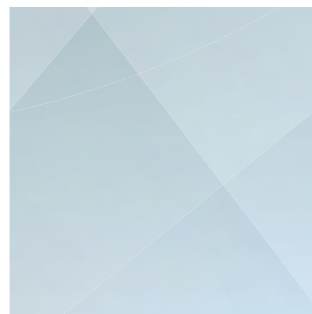
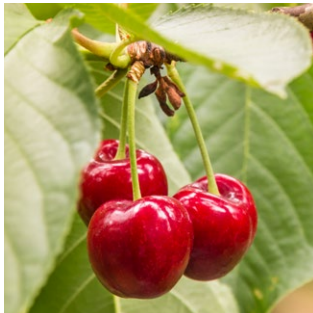


GOVERNMENT INDUSTRY AGREEMENT
FOR BIOSECURITY READINESS AND RESPONSE



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Disclaimer

The information in this Annual Report is intended to be general information. While every effort has been made to ensure the information in this document is accurate, the Deed Governance Group (comprising MPI and industry GIA Signatory representatives), including any of their employees or agents involved in the drafting of this Annual Report, does not accept any responsibility or liability for any error of fact, omission, interpretation or opinion which may be present, nor for the consequences of any decisions or actions based on this information.

September 2017

The GIA partnership

The Government Industry Agreement for Biosecurity Readiness and Response (GIA) was established with the signing of the GIA Deed in May 2014. GIA operates as a partnership between government and primary sector industries to promote better biosecurity through an integrated approach to prepare for and respond to biosecurity risks.

GIA partners

Kiwifruit Vine Health
Signed: 20 May 2014

Ministry for Primary Industries
Signed: 20 May 2014

NZ Pork Industry Board
Signed: 22 July 2014

Pipfruit New Zealand (now called New Zealand Apples and Pears Inc)
Signed: 3 December 2014

New Zealand Equine Health Association
Signed: 26 January 2015

Onions New Zealand Inc
Signed: 9 October 2015

New Zealand Forest Owners Association
Signed: 5 November 2015

New Zealand Avocado Growers' Association Inc
Signed: 25 February 2016

New Zealand Citrus Growers Inc
Signed: 16 March 2016

New Zealand KiwiBerry Growers Inc
Gazetted: 16 June 2016

Nashi New Zealand Inc
Gazetted: 18 August 2016

Tomatoes New Zealand Inc
Signed: 7 September 2016

Vegetables New Zealand Inc
Signed: 8 November 2016

Potatoes New Zealand Inc
Signed: 9 December 2016

New Zealand Winegrowers Inc
Signed: 30 May 2017

Dairy Companies Association of New Zealand*
Signed: 15 August 2017

Summerfruit NZ*
Signed: 14 September 2017

Meat Industry Association of New Zealand*
Signed: 19 September 2017



New Zealand Equine Health Association Incorporated



Ministry for Primary Industries
Manatū Ahu Matua



* Joined GIA after the end of the 2016/17 year, but before publication of this report.

The 2016/17 year has seen the implementation of the first jointly-funded investments to start delivering better biosecurity under GIA.



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GIA Secretariat's report

On behalf of the GIA Deed Governance Group (DGG), we are pleased to report that the GIA partnership continues to grow and has started to deliver joint investments to improve biosecurity readiness and response.

Successive governments have recognised the importance of biosecurity to New Zealand's economic security and prosperity. With the strong support of both government and primary industry, GIA is now well established as an important component of the biosecurity system.

Overview

This is our third annual report. At the time of our first report, GIA had five members. At year-end for this report, we had 15, and three other sectors have joined subsequently. This is significant, not only is the partnership growing, but the range of industries joining is broadening, covering the full spectrum of primary industry.

The focus of GIA is not just on growing the partnership but also on building a culture of trust and openness amongst the partners.

During 2016/17, the first jointly-funded investments were implemented under GIA to deliver biosecurity outcomes.

At the same time, biosecurity threats will not wait for GIA. Several significant incursions occurred during the year, and the Ministry for Primary Industries (MPI) has approached these in the spirit of GIA, involving GIA partners (and near partners) throughout the process. Myrtle rust, *Bonamia oestreae* and *Mycoplasma bovis* responses are just some that have benefited from GIA involvement.

A significant area of focus has been the development of infrastructure to make the partnership work effectively and efficiently. GIA is unique, and is having to invent its structures and processes as it needs them. As the partnership grows, the need to re-engineer and improve things will continue.

The 2017/18 year will be another big one for GIA. We expect that, by year end, most of New Zealand's primary sector economy will be represented around the GIA table. Our major challenge will be to ramp up

the delivery of projects that will markedly improve our defences against biosecurity threats.

A growing partnership

During the reporting year we were pleased to welcome Nashi New Zealand Inc, TomatoesNZ, Vegetables New Zealand Inc, Potatoes New Zealand Inc and New Zealand Winegrowers Inc. After the end of the reporting year, the Dairy Companies Association of New Zealand, Meat Industry Association of New Zealand and Summerfruit NZ joined, and several other sectors are working towards getting mandate to join GIA.

Operational agreements

Operational agreements (OAs) are an important facet of GIA, because partners work together to decide how to prepare for and deal with specific types of biosecurity threats, and how to share the cost of this work.

The Fruit Fly OA became the first under GIA, when it was signed in May 2016. In drafting this multi-sector agreement, partners faced and resolved a number of issues that subsequent OAs were likely to face. Partly as a consequence of this, during the year the next multi-sector OA, the Brown Marmorated Stink Bug (BMSB) OA, was drafted and signed in under half the time of that first OA.

These two OAs, along with the first single-sector OA, signed by Kiwifruit Vine Health (KVH) and MPI in March 2017 are described in more detail later in this report.

Governance

As GIA has grown, the number of parties sitting around the governance table has multiplied. The DGG could foresee a point at which group size could become an impediment to good governance. Consequently, a revised structure was implemented from January 2017, augmenting the DGG with a smaller group, the GIA Executive Committee (GEC) responsible for day-to-day governance matters on the DGG's behalf.

Sitting alongside this formal structure, parties to multi-sector OAs have chosen to set up councils to govern delivery of their OAs. Details on the Fruit Fly Council (FFC), the Brown Marmorated Stink Bug Council (BMSBC) and the interim Foot and Mouth Disease Council (FMDC) are included later in this report. Over time, we expect some closely related councils may merge to streamline costs and align plans and delivery.

Another noteworthy element is the establishment of GIA Operations Ltd (GOL). This has been set up as a co-operative company under the direction of the DGG as a tool to make financial transactions between GIA members easier and possibly to house some shared services, if members want these. Initial shareholders are the NZ Avocado Growers' Association Inc, New Zealand Equine Health Association and Summerfruit NZ, but ultimately, we expect the entity will be equally owned by any GIA members who wish to have shareholding. The directors of GOL are the industry members of the GEC.

Deed review

The first formal review of the GIA Deed, as required under the terms of the Deed was carried out over a number of months and finalised in December 2016. This major exercise involved extensive consultation with Signatories, potential Signatories and other stakeholders to get feedback on the existing Deed, suggestions for changes and views on proposed new wording. In essence, the review concluded that the existing Deed is fit for purpose, so changes were primarily limited to minor fixes and tidy ups. The mechanism for future changes to the Deed was identified for review after another year, once the DGG membership has expanded further. This will be addressed in late 2017.

Other highlights

In the broader biosecurity realm, 2016 saw a government-led development of a system-wide long-term strategy, Biosecurity 2025. GIA's members and the Secretariat were involved throughout the development of this strategy, culminating

in the launch of Biosecurity 2025 at a two-day forum, jointly sponsored by GIA and MPI (as both a GIA member and the government's lead policy agency). GIA is involved in the ongoing implementation, through representation on the steering group and through partner participation in the various workstreams. GIA's government and pan-industry membership uniquely positions it to ensure the primary industry's perspectives are reflected in the strategy and its implementation.

The DGG has established a set of metrics to gauge the success of GIA over time. It is too early to ascertain GIA's long-term impact on biosecurity outcomes, but intermediary measures can be reported, relating to matters such as the culture of partnership, activities under way and the performance of the Secretariat. These were researched via an independently conducted survey of GIA members. High satisfaction scores were registered across GIA for trust (80%), openness (90%) and value to date from GIA (75%). Our aim will be to maintain these high levels in future surveys to preserve the positive culture we have developed. Lower scores were recorded for influence over the biosecurity system (60%) and confidence in ability to manage biosecurity (50%). These ratings give us a yardstick from which to gauge improvement as GIA matures and moves further down its path of implementation.

Into the future

The coming year will see more industry groups join the GIA partnership. Ultimately, the broader reach of the expanded GIA will enable it to step up to play a strong, constructive and informed role across the biosecurity system.

The nuts and bolts of GIA, however, are the practical readiness and response plans and activities that will protect New Zealand industries against the array of biosecurity threats they face. A strong emphasis in the coming year will be at the OA level – to put more biosecurity activity into action.

As we continue to build and operate GIA, it will become more apparent how we can improve it. During the coming year, we will continue to focus on ways we can simplify and streamline GIA processes to achieve greater effectiveness, efficiency and the delivery of better value to our partners.

The future also holds risks for GIA. The ongoing delays in introducing some key elements of government policy, including the regulatory regime for cost recovery from non-Signatory beneficiaries have been allayed to date through the goodwill of the GIA partners via stop-gap measures to keep the GIA programme moving forward. Full resolution of these issues has been promised for 2017/18, and this is needed if GIA is to continue as originally envisaged. The DGG appreciated the Minister for Primary Industries' written reaffirmation

A strong emphasis in the coming year will be at the OA level – to put more biosecurity activity into action.

of the government's commitment to pursuing cost recovery from non-Signatory beneficiaries and speedy resolution of other policy issues.

An important date in GIA's maturation will be 1 January 2020, when the current arrangement for MPI's full funding of the Secretariat expires. In preparation for that, a review of the Secretariat will occur in mid to late 2018. These dates provide useful targets for ensuring that GIA's strategy and structure are orientated to maximise value to all partners, who ultimately will fund GIA.

Lastly, the DGG would like to thank Geoff Gwyn for his leadership during his tenure as DGG's first chair, which ended on 31 March 2017. We are grateful that he is continuing to support GIA's progress in his new role as Chair of the GEC.

It is worth noting that members of DGG, GEC and the various councils contribute their time as a 'minimum commitment' under the GIA Deed. We would like to acknowledge their diligence and strong advocacy for GIA as we work together to improve biosecurity outcomes for all New Zealanders.



Jen Scoular
DGG Chair



Steve Rich
GIA Secretariat Manager

By the numbers

15 (now 18)
GIA members as at
July 2017

Up to
\$20 billion
of domestic and
export sales
represented by
GIA members



50%

Confidence in
ability to manage
biosecurity



Over 60,000 people employed in
GIA industries



4 incursions
responded to with
GIA involvement

60% influence across
biosecurity

\$4 billion

estimates of economic
impact if BMSB
established in NZ





\$2.3 million currently committed to readiness work under OAs



11 GIA members who now participate in at least one OA

90%

average score for member satisfaction with the GIA Secretariat

Member satisfaction rating for culture within GIA:

80% Trust

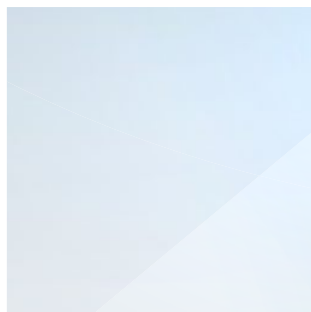
95% Openness



49 beneficiary sectors identified in OAs to date

75%

Value from GIA to date



Readiness and response activities

Readiness and response is the most important area of GIA. The transition continues from full MPI control and individual industry initiatives to a fully coordinated GIA system of shared decision-making, activity and cost sharing.

Engagement across the biosecurity system

The Deed Governance Group and GIA Executive Committee have received regular briefings from MPI on biosecurity performance at the border and also timely updates on incursions and investigations.

The Deed bestows a right on industry Signatories to have an annual meeting with MPI to discuss biosecurity matters. Two boards chose to meet with MPI's leadership this year, which has helped to advance some hard-to-address issues that are important to those boards. The Secretariat encourages more boards to take up this opportunity in the coming year.

Readiness

Business-as-usual readiness activity has continued, with various activities under way across all sectors, primarily led by MPI, but increasingly under the GIA banner. For example, fruit fly readiness activities (the surveillance programme and a variety of new projects) now come under the Fruit Fly Council's (FFC) leadership. The Brown Marmorated Stink Bug Council (BMSBC) is in the process of stepping up to lead

BMSB-related work. Increasingly, the Livestock Sector Council (previously Foot and Mouth Disease Council) will move from a focus on GIA mandate issues to oversight of the foot and mouth disease programme (and over time it will move to a wider livestock sector system approach).

In parallel with OA developments, a number of bilateral arrangements between MPI and individual sectors have been progressed, with notable pilot projects in planning or under way for the equine and forestry sectors.

The FFC has produced its first annual report, describing what has been achieved in the first year of the Fruit Fly OA (see page 15).

Members of the BMSBC signed the BMSB OA on 13 July 2017. The council has drafted a strategy for BMSB and identified projects that will be prioritised and jointly funded to increase readiness activity.

Response

No formal responses have occurred under GIA in this financial year. However, several (new and ongoing) responses have occurred where GIA members or near-members have been involved in the spirit of GIA. These include:

- *Bonamia ostreae*
- pea weevil
- myrtle rust
- velvetleaf

- *Eucalyptus variegated beetle*.

Note that, shortly into the new year, a further response was activated to address *Mycoplasma bovis*, which is a threat affecting the livestock sector and related industries. Again, GIA near-members have been involved in the spirit of GIA.

Response simulations have been run to test parts of the response governance and operational processes and to educate potential participants about response roles and thinking. They involved the following: one response on specific forestry threats, organised by the New Zealand Forest Owners Association, one on BMSB organised by Horticulture New Zealand, and one on *Ceratocystis fimbriata* organised by KVH to test its readiness plan developed under GIA. These valuable exercises constitute an important part of preparation for potential responses. The development of the readiness plan between KVH and MPI is a good example and a real achievement under GIA – jointly agreeing how the parties will respond to an incursion and formulating readiness activities to overcome knowledge gaps in advance.



Protecting to Grow New Zealand Biosecurity Forum

During the year, GIA delivered the Protecting to Grow New Zealand Biosecurity Forum 2016 and Biosecurity 2025 implementation workshops.

The Direction Statement for New Zealand’s biosecurity system was launched by the Hon Nathan Guy at the opening of the forum, which marked the beginning of collaborative planning for implementing Biosecurity 2025.

GIA partners and the Secretariat were heavily involved throughout Biosecurity 2025’s development and launch and will continue to play an ongoing role.



The Hon Nathan Guy addresses forum attendees at the opening of the Protecting to Grow New Zealand Biosecurity Forum 2016.

Measuring our success

In 2016, Colmar Brunton was commissioned to help the Secretariat develop a methodology to find out what a successful GIA would look like. This was mainly done by surveying GIA members and prospective members. The information collected helped the Deed Governance Group to adopt a set of metrics to gauge the success of GIA over time. It is still too early to ascertain GIA’s long-term impact on biosecurity outcomes, but intermediary measures can be reported relating to such matters as the culture of partnership, activities under way and the performance of the Secretariat.

These measures have now been assessed via an independently-conducted survey of GIA members, and the results are shown in table 1. As table 1 shows, high satisfaction scores were registered across GIA for trust (81%), openness (94%) and value to date from GIA (75%). Our aim is to maintain these high levels in future surveys to preserve the positive culture we have developed. Lower scores were recorded for influence over the biosecurity system (60%) and confidence in ability to manage biosecurity (54%). These ratings give us a yardstick from which to gauge improvement

as GIA matures and moves further down its path of implementation.

A companion set of questions sought feedback on the Secretariat’s performance in support of GIA. The results shown in table 2 suggest a high level of satisfaction with the Secretariat’s performance, and our aim for the coming year is to ensure we continue to meet partners’ needs.

Table 1: Results from the GIA Membership Survey

| | Strongly agree (%) | Agree (%) | Neither agree nor disagree (%) | Disagree (%) | Strongly disagree (%) |
|---|--------------------|-----------|--------------------------------|--------------|-----------------------|
| The current level of trust between GIA partners contributes towards achieving GIA’s aims. | 44 | 37 | 19 | 0 | 0 |
| The current level of openness between GIA partners contributes to achieving GIA’s aims. | 44 | 50 | 0 | 6 | 0 |
| My sector gets significant value from being part of GIA. | 31 | 44 | 25 | 0 | 0 |
| Being a GIA partner gives us significant influence over matters affecting the biosecurity of our sector. | 27 | 33 | 40 | 0 | 0 |
| Since becoming a GIA partner, my confidence in my sector’s ability to manage biosecurity readiness and response has improved. | 7 | 47 | 47 | 0 | 0 |

Table 2: Secretariat performance

| | Excellent (%) | Good (%) | Acceptable (%) | Poor (%) | Very poor (%) |
|---|---------------|----------|----------------|----------|---------------|
| The level of relationship support that the Secretariat provides to GIA partners | 69 | 19 | 12 | 0 | 0 |
| The Secretariat’s communication with GIA partners | 81 | 6 | 13 | 0 | 0 |
| The Secretariat’s administrative support for GIA-related groups (eg, OA Councils) | 75 | 19 | 6 | 0 | 0 |

Continuing to build

“ Being part of GIA ensures that nashi growers are connected to and benefit from the collective efforts of government, science and industry to protect our borders and respond effectively if a biosecurity event occurs. ”

– Alan Pollard, Chief Executive, New Zealand Apples and Pears Inc (formerly Pipfruit NZ)



Alan Pollard (New Zealand Apples and Pears Inc – formerly Pipfruit NZ) and Andrew Coleman (MPI). Nashi New Zealand signed in August 2016.



Hon Nathan Guy, Minister for Primary Industries, Alasdair MacLeod and John Seymour (TomatoesNZ). TomatoesNZ signed in September 2016.

“ TomatoesNZ recognised early on that becoming a signatory to the GIA Deed would benefit fresh tomato growers by giving us a seat at the table with government and a greater say in preparing for and managing biosecurity risks specific to our industry. ”

– Alasdair MacLeod, Chair, TomatoesNZ

“ Becoming a partner to the GIA Deed benefits our growers by giving us a seat at the decision-making table with government and other primary sector groups affected by similar biosecurity threats. It gives our growers a greater say in preparing for and managing biosecurity risks specific to our industry. ”

– Andre de Bruin, Chair, Vegetables New Zealand Inc



Richard Palmer (Horticulture New Zealand), Andre de Bruin (Vegetables New Zealand Inc), Hon Jo Goodhew, Associate Minister for Primary Industries, and Martyn Dunne, Director-General (MPI). Vegetables New Zealand signed in November 2016.

the partnership



Stuart Wright (Potatoes New Zealand Inc) and the Hon Nathan Guy, Minister for Primary Industries. Potatoes New Zealand Inc signed in December 2016.

“ It’s important to play our part as potato farmers to help prepare for, and minimise the potential impact from biosecurity pests and disease.

– Stuart Wright, Chair, Potatoes New Zealand Inc

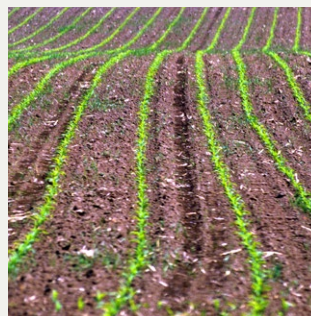


“ Signing the GIA Deed secures the wine industry a seat around the table when decisions are being made on biosecurity issues.

– Philip Gregan, CEO, New Zealand Winegrowers Inc



John Clarke (New Zealand Winegrowers Inc) and Hon Nathan Guy, Minister for Primary Industries. New Zealand Winegrowers Inc signed in May 2017.



Operational agreements

Operational Agreements (OA) are the 'contracts' that deliver actions covering the readiness and response commitments between MPI and industry sectors. Three OAs are currently in operation, with more in development. One of the current OAs is sector specific (between MPI and Kiwifruit Vine Health (KVH)) and the two others are multi-sector (the Fruit Fly OA, covering four fruit flies, and the Brown Marmorated Stink Bug (BMSB) OA). Both multi-sector OAs have councils of Signatories governing them to: agree strategy and prioritise projects, collect and dispense the budget and maintain overall coordination of biosecurity efforts. The councils' work builds on pre-existing and continuing biosecurity work undertaken by MPI and industry groups and targets new expenditure for addressing gaps (identified by stocktakes) and improvement projects.

The Fruit Fly OA, signed in May 2016 by six industry sectors and MPI, was the first OA under GIA. That agreement, and some of its governance, technical advisory and administrative arrangements, has set a useful prototype that will guide other multi-sector OAs. In 2016/17, the Fruit Fly OA partners started a prioritised programme of jointly-funded biosecurity projects, aligned

under a Fruit Fly Strategy they devised. The Fruit Fly Council (FFC), which governs the OA, presents its first annual report on its activities and achievements later in this publication.

The second multi-sector OA, the BMSB OA, was developed during 2016/17 and signed by seven partners in early July 2017. Building on the experience gained with the Fruit Fly OA, a BMSB strategy has already been drafted and several high priority projects initiated with joint funding.

Meanwhile, KVH and MPI signed the first single sector OA, and several other OAs are on their way to being developed between sectors and MPI. In parallel to OA development, pilot readiness projects are being planned or are under way in both the equine and forestry sectors. A template OA is being introduced to expedite future OA development.

The interim Foot and Mouth Disease Council (now renamed the Livestock Sector Council) comprises MPI and industry along with other groups from the large animal sectors that have been progressing towards joining GIA. Amongst its other activities, it has prepared a draft OA covering foot and mouth disease. It is anticipated this will be finalised

over the next six months and signed by industry sectors when they join GIA. With the signing of the Deed by the Dairy Companies Association of New Zealand and the Meat Industry Association, the Livestock Sector Council will formally commence activities.

FFC members have committed \$244,000 to new projects and pledged up to a further \$350,000 for other high value projects that may be identified for the 2017/18 financial year. The BMSB Council is currently finalising its strategy and has an indicative budget of \$400,000 for new joint projects.



KVH signs operational agreement with MPI in March 2017. (L to R): Roger Smith (MPI), Barry O'Neil (KVH CEO), Adrian Gault (KVH Chairman).



Signing of the BMSB Operational Agreement in July 2017. Back row (L to R): Steve Rich (GIA Secretariat), Melanie Russell (MPI), Marie Dawkins (Summerfruit NZ), John Seymour (Vegetables NZ), Edwin Massey (NZ Winegrowers Inc), Richard Palmer (HortNZ), Helen Barnes (TomatoesNZ), Angela Brownie (MPI), Brad Siebert (NZ Avocado), Paul Goodhead (GIA Secretariat). Seated (L to R): Geoff Gwyn (MPI), Barry O'Neil (KVH), Jen Scoular (NZ Avocado), Jeffrey Clarke (NZ Winegrowers Inc), Alan Pollard (NZ Apples and Pears), Alasdair MacLeod (TomatoesNZ), Andre de Bruin (Vegetables NZ), Andrew Fenton (witness).

Governance

Statement of purpose

The GIA statement of purpose was adopted by the Deed Governance Group (DGG) in November 2015. The DGG has agreed its role is to:

- implement the requirements of the GIA Deed
- represent the collective interests of GIA partners to proactively influence the delivery of biosecurity activities, the development of biosecurity policy and the delivery of new research initiatives
- play a leading role in the governance of New Zealand's biosecurity system.

The governance structure for GIA was revised during the 2016/17 year to accommodate GIA's expanding partnership and to streamline day-to-day decision-making. The structure, implemented from 1 January 2017 consists of:

- the full DGG, as previously, comprising representatives from each Signatory to GIA. The DGG remains the ultimate decision-making authority for GIA, but meets less frequently than before (two-to-three times a year now)
- the GIA Executive Committee (GEC), which is an elected sub-set of the DGG, charged with oversight of the Secretariat and the day-to-day governance work on the DGG's behalf. This group meets approximately monthly (in person or by teleconference)
- the Secretariat, which is the operational and administrative unit for GIA and brings into effect the decisions made by the DGG and GEC.

Sitting alongside this formal structure, parties to multi-sector OAs have chosen to set up councils to govern delivery of their OAs. These currently include the Fruit Fly Council, the Brown Marmorated Stink Bug Council and the Livestock Sector Council. Over time, we may see some merging of closely-related councils to streamline costs and align plans and delivery.

The relationship of these bodies to each other and to OAs and their councils is shown in figure 1.

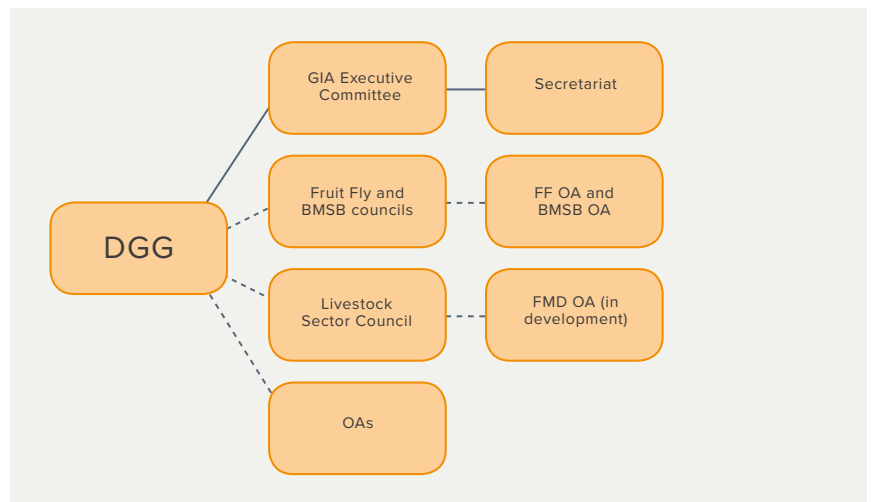
DGG membership and composition

The DGG Chair is elected annually by DGG members. The Chair up until 31 March 2017 was Geoff Gwyn (MPI). The current Chair is Jen Scoular (NZ Avocado).

The DGG includes one representative from each Deed partner and invited observers. DGG members do not receive fees for their participation, and their costs are met by their sector organisations.

The DGG interest disclosure and management policy are available on the GIA website.

Figure 1: Relationship of the DGG with governing bodies and operational agreement councils



The DGG reviewing the GIA Deed.

Members (as at 30 June 2017)

- Alan Pollard, Chief Executive, New Zealand Apples and Pears (previously called Pipfruit New Zealand)
- Barry O’Neil, Chief Executive, Kiwifruit Vine Health
- Geoff Gwyn, Director, Readiness and Response Services, MPI – representing MPI (GEC Chair)
- Frances Clement, NZ Pork Industry Board
- Martin Burns, New Zealand Equine Health Association
- Michael Ahern, Chief Executive, Onions New Zealand Inc
- David Rhodes, Chief Executive, New Zealand Forest Owners Association
- Jen Scoular, Chief Executive Officer, NZ Avocado (DGG Chair)
- Stephen Ogden, Chief Executive, New Zealand Citrus Growers Inc
- Alasdair MacLeod, Chair, TomatoesNZ
- John Seymour, Senior Business Manager, Vegetables New Zealand Inc
- Chris Claridge, Chief Executive Officer, Potatoes New Zealand Inc
- Edwin Massey, New Zealand Winegrowers Inc

Observers

- Richard Palmer, Horticulture NZ (representing non-Signatory horticulture industries)
- Tim Ritchie, Meat Industry Association
- Kimberly Crewther, Dairy Companies Association of New Zealand
- Marie Dawkins, Summerfruit NZ

DGG meetings

- 26 August 2016
- 4 October 2016
- 11 November 2011 (teleconference)
- 22–23 November 2016 (joint forum with MPI – launch of Biosecurity 2025)
- 6 December 2016
- 31 March 2017

Note: with the establishment of the GEC (from 1 January 2017), it is anticipated that the DGG will only meet two-to-three times per year.

GEC membership and composition

From 1 January 2017, GIA has instituted the GEC to provide day-to-day governance and oversight of the Secretariat and its work programme on behalf of the DGG (and under its direction).

The members on GEC are as follows, with the Chair elected annually by GEC’s members.

- Geoff Gwyn – Chair (MPI)
- David Rhodes (New Zealand Forest Owners Association)
- Jen Scoular (NZ Avocado)

GEC meetings

- 9 February 2017
- 28 March 2017
- 12 April 2017
- 10 May 2017
- 14 June 2017

GIA Operations Ltd (GOL)

This was established as a co-operative company to initially provide a vehicle for monetary transactions between GIA members. The initial shareholders are New Zealand Equine Health Association, Summerfruit NZ and NZ Avocado. The establishment board consists of Jen Scoular and David Rhodes. GIA Secretariat staff serve as officers of the company, which operates under a constitution approved by the DGG.



The Deed Governance Group in March 2017. (From L to R) John Seymour (Vegetables NZ Inc), Richard Palmer (HortNZ), Chris Claridge (Potatoes NZ), Michael Ahern (Onions NZ), Frances Clement (NZ Pork Industry Board), Alasdair MacLeod (TomatoesNZ), Jen Scoular, DGG Chair (NZ Avocado), Geoff Gwyn, GEC Chair (MPI), Tim Ritchie (Meat Industry Association), Barry O’Neil (KVH), David Rhodes (NZ Forest Owners Association), Melanie Russell (MPI), Roger Gilbertson (alternate NZ Apples and Pears), Gisele Irvine (alternate NZ Citrus Growers Inc), Martin Burns (NZ Equine Health Association), Steve Rich (GIA Secretariat).

GIA in action: a case study of the Fruit Fly Strategy

The Fruit Fly OA was signed in May 2016 and is overseen by the Fruit Fly Council (FFC), which comprises:

- Signatories: MPI, KVH, New Zealand Apples and Pears, NZ Avocado, TomatoesNZ, New Zealand Citrus Growers Inc and Vegetables New Zealand Inc (from April 2017)
- Summerfruit NZ has also fully participated, in anticipation of joining GIA (in September 2017)
- Horticulture New Zealand has been involved as an observer.

FFC partners have made joint funding contributions available in 2016/17 (and continued these into 2017/18) to advance protection against the four most economically significant fruit fly species, rather than waiting for the full implementation of the cost sharing regimes and MPI's cost-recovery mechanism for non-Signatory beneficiaries. At the same time, the current annual surveillance programme led by MPI has continued, and this will migrate to oversight by the FFC (and cost-sharing in due course).

The FFC adopted a systematic and disciplined approach to ensure its investments are directed to the areas with greatest benefit:

- A technical working group was established to provide technical expertise where needed and to scope and carry out projects under FFC's direction.
- Next, a stocktake was undertaken to establish what current biosecurity programmes and research are under way, and identify any significant gaps.
- This led to the creation of the five-year Fruit Fly Strategy, identification of 10 initial projects and selection of three of these projects for priority investment.
- These three projects were commissioned, with project management by the technical working group and regular progress reporting to the FFC. We are starting to see the

outputs and benefits of these projects now, and further projects have been initiated in the 2017/18 year, again with joint funding.

- Following the conclusion of the 2016/17 year, the FFC has produced an annual report describing its achievements to date.

Both the Fruit Fly Strategy and the Fruit Fly Council Annual Report are available at www.gia.org.nz

The first year can be summarised as follows:

- The FFC has established a clear strategy and governance structure for fruit fly work.
- To date, \$244,000 has been committed to new fruit fly projects. In 2016/17, \$63,000 of this was expended. All projects are currently reported to be on time and on budget.
- The three initial projects aim to:
 - optimise the current fruit fly surveillance programme
 - identify and pre-agree major risks in advance of a fruit fly response
 - review the current fruit fly standard.
- In addition, the current annual surveillance programme has continued.



Financial performance – the GIA Secretariat

GIA partners pay their own participation costs. The figures below represent the costs budgeted and incurred to run the Secretariat only. In coming years, we will report in more detail on expenditures under operational agreements for readiness and response work.

At present, MPI meets the full costs of running the GIA Secretariat, and this funding arrangement will continue until 31 December 2019. The GIA Secretariat proposes a budget each year to the Deed

Governance Group (DGG), which then requests funding from MPI. MPI determines and provides funding accordingly, and also provides some administrative support and accommodation (represented below by the 'below the line' notional cost of 22 percent of budget).

Though funded by MPI, the GIA Secretariat is operationally independent. Its role is to support the GIA partnership and the DGG as specified in section 4.2 of the Deed.

Overall, the Secretariat exceeded its budget

by 6.4 percent, which is a satisfactory performance given that GIA is still in a growth and establishment phase. As with last year, legal costs comprise a significant area of spending (and over spend). This is because the Secretariat continued to engage independent legal advice on various aspects of establishment of infrastructure and legal interpretation in order to build GIA on a solid foundation. Significant legal input was also sought during the Deed review process.

| GIA Secretariat expense type | Actual 2016/17 \$000 | Budget 2016/17 \$000 | Variance \$000 | Actual 2015/16 \$000 |
|---|----------------------|----------------------|----------------|----------------------|
| Personnel (including contractors) | 389.0 | 440.2 | (51.2) | 414.2 |
| Travel and related expenses | 6.7 | 19.8 | (13.1) | 12.1 |
| Forums and meetings | 44.7 | 30.0 | 14.7 | 9.6 |
| Communications, IT and equipment | 12.0 | 5.4 | 6.6 | 6.9 |
| Office consumables and printing | 10.4 | 1.2 | 9.2 | 2.7 |
| Legal and financial fees | 169.8 | 90.2 | 79.6 | 84.9 |
| Total external expenditure | 632.6 | 586.8 | 45.8 | 530.3 |
| Notional administrative overhead from MPI | 129.1 | 129.1 | 0 | 116.7 |
| TOTAL | 761.7 | 715.9 | 45.8 | 647.0 |

All figures are GST exclusive.

These figures have not been independently audited. While MPI continues to fund the GIA Secretariat, its financial information will be included in MPI's annual independent audit process.

For the period 2017–19, both the Fruit Fly Council and BMSB Council have commissioned the Secretariat to provide administration support for council work on a cost-shared basis between council members. We will also report on this in future reports.





