



# **Government Industry Agreements Business Case Guidance and Template**

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## **Document control**

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## Note to authors

This template has been developed to assist the development of a business case by an industry organisation that documents the anticipated costs and benefits of signing the GIA Deed.

Use of the template is voluntary.

Black text has been developed as standard text consistent with the Deed and its provisions. Red text prompts you to think about/discuss the industry considerations relevant to the business case .

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## Attachments

## Executive Summary

### What is GIA?

Brief overview, including what it means to the specific industry. What is it intended to achieve? Is this something that the industry has some interest in (reference biosecurity outcomes)? For example, is biosecurity seen as important to the industry? In what way? With what impact on market access, sustainable production, other factors valued by the industry?

### What is the Deed?

What are some of the obvious rights and obligations outlined in the Deed? Are these likely to be useful or valuable to the industry? Is it something that could offer industry a benefit?

### Outline scope of the business case, key areas explored

What did the business case set out to analyse, what is covered, what is not and why. How was the analysis done in terms of method? What were elements of key focus and why? For example, because they are areas known to be of interest to the industry, they align with strategic goals of the industry (market expansion, production growth), previous analysis has identified areas of potential risk or threat

### Outcome from analysis on current and future state (under Deed)

What are some of the benefits and costs that are identified and what are opportunities and liabilities for the industry in signing or not signing the Deed. Are there risks to the industry from not signing the Deed, or defaulting to the non-signatory status? What are they? Can they be mitigated effectively by signing or not signing the Deed? Can industry achieve greater value from not signing the Deed?

### Summary value to [insert industry] in signing the Deed

A succinct summary that captures the overall value. This is likely to be replicated in a number of documents/discussions including, potentially, the mandate process, so it should accurately and in simple language, capture the value of signing the Deed. This might be qualitative, quantitative or a mix of both and may need to reference a period of time for accrual of benefits (eg. 10 years)

### Costs of accession

What will it cost to sign the Deed and meet signatory obligations? This will include securing mandate from members, achieving gazettal by the Minister, identifying and/or putting in place financial arrangements to meet Deed funding requirements, meeting immediate obligations of the Deed in terms of industry organisation contacts for response and the authority they have. These may be over and above the costs of operating under the Deed.

### Accession process – requirements

Summary of steps to be in a position to sign the Deed, including development and negotiation of an Operational Agreement, if industry requires this to be done as part of achieving mandate.

### Immediate obligations

What needs to be in place for signing, or shortly thereafter? What is the industry immediately liable for and what is needed to be in a position to meet these obligations at accession. What are the next steps?

### Recommendation

The recommendation section spells out whether or not there is value to the industry in signing the Deed and what action should be taken. It should be clear about what the analysis is telling industry members to do and might indicate next steps.

## 1. Purpose of this document

The Government Industry Agreement (GIA) for Biosecurity Readiness and Response (GIA) will enable the Crown, through the Ministry for Primary Industries, and industries to prepare for and effectively respond to biosecurity risks together. This will 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 and community. A major focus of the GIA is on the development of risk-based readiness and response capacity and capability.

The three key elements of the GIA are:

- . Joint decision making for readiness and response
- . Cost sharing of readiness and response actions in a way that is equitable and consistent, taking into account the balance between private and public benefit
- . Working together across all aspects of biosecurity activities to reduce the adverse effects of harmful organisms

The GIA Deed (the Deed) sets out the foundation for the partnership, with Operational Agreements (OA) providing the means by which MPI and one or more industries can jointly invest in activities to enhance readiness and/or response.

This business case presents an analysis of the value that could be realised by the **[insert industry]** through signing the Deed and developing and investing in OAs with MPI and potentially with other industries. It outlines the benefits, costs and future liability associated with signing up to GIA in comparison with the current arrangements and those proposed by MPI for industry sectors that do not sign up.

There are several actions that are required by industry if they decide to sign the Deed. These include securing a mandate for an industry organisation to represent its members and sign the Deed, and identifying and establishing funding mechanisms to meet financial commitments in the Deed and Operational Agreements. The processes and costs associated with these are also included in this analysis.

## 2. Background

The GIA provides for enhanced partnerships between the Crown and industry to improve biosecurity outcomes for New Zealand through a binding commitment in the form of the Deed.

The objective of Government Industry Agreements is to deliver better biosecurity outcomes for New Zealand through partnership. It provides a forum and processes for both government and industry to identify the investment they currently make in the biosecurity system and the outcomes they achieve. Operational Agreements are a vehicle for industry and government to identify gaps in the biosecurity system and jointly invest in projects and work programs of common interest.

### **Benefits from a better biosecurity system**

Why invest in biosecurity? Why is good biosecurity practice important to industry? How does biosecurity reduce the impact of pests and diseases on production, productivity and export market access

Are there any recent examples of impact of pests eg. Tomato potato psyllid, PSA on your industry, are there drivers for your industry to invest more or better in biosecurity to deliver industry strategic objectives and outcomes eg. Prevention is cheaper than living with injurious pests and diseases

### 3. Commitments

New Zealand's biosecurity system spans offshore, border, and onshore activities that mitigate the risk of introduction of pests and diseases, and minimise the impact of established organisms on the economy, environment and community. The Deed recognises and acknowledges the effort and investment in the biosecurity system that is made by both the government and industries. The Deed seeks to raise awareness of this activity as minimum commitments that support trade, reduce the impacts of pests and diseases on production and protect the built and natural environment in which we live. While it focuses on biosecurity readiness and response, the Deed also provides for constructive, ongoing and proactive engagement on the wider biosecurity system to identify and reduce biosecurity risks.

All Deed signatories make commitments to continue to invest in the biosecurity system and to work together to make it better. They agree to meet in a biosecurity forum twice a year to discuss the wider biosecurity system and how it can be improved. Each industry signatory will also meet with MPI annually or as agreed to discuss the biosecurity risks for their industry, their effective management, identify new and emerging risks and any additional readiness and response actions that may be implemented through an Operational Agreement.

Signatories also commit to maintain or improve the biosecurity system in areas of biosecurity capacity and capability, reporting of unwanted organisms, promoting awareness of biosecurity threats and actions to prevent their entry or establishment. They will meet the core commitments of signatories to manage and implement the Deed, including cost sharing of readiness and response activities, and negotiation and delivery of Operational Agreements.

### What does GIA commit government to?

#### **Crown commitment to biosecurity and New Zealand's biosecurity system**

In 2012, the NZ Government invested around \$150 million in the biosecurity. This funded the biosecurity services at the international border to manage the risk of entry of unwanted organisms through the movement of people, vessels, goods, plants and animals, as well as post border activities including domestic risk management such as diagnostic services, pest and disease surveillance, incursion investigation and response and long term pest management. Funding is drawn from a combination of general taxation and charges on parties giving rise to biosecurity risks, as well as parties benefiting from biosecurity activity.

Around \$50 million is spent on generic and specific readiness and response capability each year in including operations of the national diagnostics laboratory capability, animal and plant health surveys and biosecurity incursion investigation and response systems, capability and capacity.

Signing the Deed commits government to a range of commitments around the wider biosecurity system, as well as readiness and response.

## **Rights**

Signing the Deed offers the Crown the right to establish effective, formal partnerships in biosecurity and to connect its activities with those undertaken by industry to deliver a seamless wider biosecurity system. It will foster relationships that enable early identification of new and emerging biosecurity threats and greater engagement on measures that address them. It will also allow for joint decision-making, priority setting, investment and sharing of costs for readiness and response activities. The Ministry for Primary Industries has recognised the necessity of strong partnerships with industry and the community to deliver better biosecurity services and outcomes, with enabling and partnering key elements of its 2030 strategy.

With industry contribution capped at a maximum of 50%, Government will continue to invest in post border biosecurity.

## **Obligations**

Signing the Deed commits the Crown, through the Ministry for Primary Industries, to:

- . Maintain appropriate capacity and capability for pre-border and border biosecurity risk management.
- . 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.
- . Implement statutory standards and verifications to achieve the improved biosecurity outcomes.
- . Implement a transparent process for assessing biosecurity system performance, to monitor and measure ongoing biosecurity operations and outcomes.
- . Apply the full suite of tools, interventions and sanctions across the compliance system to achieve better biosecurity outcomes.
- . Review standards and operations and modify these as necessary, based on performance information and changes in biosecurity risk.
- . Meet with each industry annually or as agreed, outside of the biosecurity forum, to discuss a range of issues.
- . Maintain a core competency to deliver effective response and readiness activities, including diagnostic and investigation capability, and to negotiate market access.
- . Rapidly notify potentially affected Signatories when a suspected unwanted organism is detected in New Zealand.
- . Urgently establish preliminary response arrangements consistent with Deed requirements, and any Operational Agreements that may be in place, including initiating decision-making, cost sharing and impact/risk analysis processes.
- . Manage trade and market access issues arising from the detection of the unwanted organism and meeting international reporting obligations.
- . Represent the interests of non-Signatories and other stakeholders, including Maori.
- . Facilitate access for industry Signatories to Crown loans, as a last resort, to fund response commitments under the Deed.

## What does GIA commit industry to?

Signing the Deed offers industry organisations access to a number of rights including the right to:

- . Engage and seek input from their members, including Maori, 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 to discuss a range of issues.
- . Be aware of the industry risk profile and take measures to manage the biosecurity risks that industry is best placed to manage.
- . Communicate with their membership, including Maori on biosecurity in general to elicit better biosecurity outcomes.
- . Work with MPI to integrate industry into response delivery programmes and processes.
- . Raising awareness of response arrangements described in the MPI response procedures and policies.
- . Promote early reporting of unwanted organisms to MPI.
- . Securing appropriately skilled and committed people to engage in readiness and response activities, including technical and operational experts.
- . Raising awareness within their membership, of the GIA and the commitments that have been made through the Deed and any Operational Agreements.

It binds industry organisations to a number of commitments and obligations including:

- . Minimum commitments that maintain current levels of investment in the biosecurity system, whether through specific programs, resources, personnel, directly funded or in-kind.
- . Cost sharing of readiness and response activities with government and other affected industries consistent with the relative benefit that industry receives as a result of the activity.
- . Funding cost-shares.
- . Participating in administration and governance of the Deed and in the wider biosecurity system.
- . Specific commitments that may be documented in an Operational Agreement.

## Immediate commitments of Signatories

After signing the Deed, an industry organisation and MPI are committed to:

- . The principles and legal framework for the partnership.
- . Engagement in the wider biosecurity system through regular workshops.
- . Meeting annually or as agreed for biosecurity discussions.
- . A schedule of minimum commitments. These are the capability and capacity that each party will maintain to ensure adequate ability to plan for, detect, and respond to risk organisms. These are not cost shared. An outline of these is contained in the Minimum Commitment section of this document and details will be in the Operational Agreements.
- . Membership of the Deed Governance Group.
- . Any shared administration costs.
- . Joint decision making for responses from the date of signing, even though cost sharing of response plans will not come into effect until 2016.
- . Negotiating and agreeing an Operational Agreement(s) with government and potentially other industry organisations to capture readiness and response activities.
- . Cost-sharing joint readiness activities agreed in an Operational Agreement(s) to a maximum of 50% of their cost, noting that transitional discounts will be applied by government from July 2013 to June 2019.
- . Cost-sharing of response plans to a maximum of 50% of the cost from July 2016 noting that transitional discounts will be applied by government through to June 2022.
- . **[Others?]**

In preparing to sign the Deed, industry organisations will need to identify how they will meet their financial obligations. This may mean the implementation of a levy mechanism.

By signing the Deed industry are not immediately obliged to fund:

- . Existing readiness activities in the absence of an Operational Agreement, although government may review their existing commitments as they consider priority readiness activities with Deed partners after signing.
- . The GIA Secretariat. The costs of running the Secretariat will be fully funded by MPI until 2019, with a decision on the future of the secretariat to be made at that time.
- . Incursion responses – until 2016.

The decision to invest in new pieces of readiness work may be initiated by government or industry and they are delivered through an Operational Agreement (OA). The OA will clearly describe the outcome to be achieved, how this will be done, who will do it, how much it will cost and who will pay. As noted above, government may review existing readiness activities including analysis of the national priority of these activities in the national interest and relative benefits. Industries may also review their priorities against industry interest and benefits.

The decision to invest in a response is made in the early stages of an actual incursion. Industry organisations that have signed the Deed will be expected to share decision-making responsibility and accountability with government from their date of accession. Industry will not be required to pay a share of response costs until July 2016.

The shares of costs for biosecurity readiness and response activities that each beneficiary contributes will be agreed after taking into account the proportion of the benefit that accrues to each beneficiary – be they Signatories or non-Signatories. MPI will contribute costs attributable to non-Signatory beneficiaries and exacerbators and is responsible for recovering those costs where practicable, equitable and consistent with international obligations. The shares are based on analysis of the benefits delivered through avoiding the impacts of the organism if it were to establish in New Zealand.

## Non-signatories

MPI will recover costs for readiness and response where a non-signatory benefits from cost-shared activities and it is equitable and efficient to do so. Non-signatories will have no decision rights over these activities.

## Comparison table

The following table compares some key aspects of signing or not signing the Government Industry Agreement.

<b>What you get now...</b>	<b>The Deed offers Signatories...</b>	<b>If you don't sign, non-Signatories can expect....</b>
Government delivers biosecurity programs to reduce the risk of entry of unwanted pests at the international border.	...a framework for government and industry to work together in partnership to strengthen the biosecurity system and achieve better outcomes.	Government and industry to work through consultation, for the most part, on biosecurity initiatives.
Import health standards are developed in consultation with industry and community stakeholders.	...an environment for enhanced engagement in the risk analyses underpinning import health standards through provision of technical information and expertise.	Import health standards to be developed in consultation with industry and community stakeholders.
Standards are implemented by government.	...the opportunity to participate in processes to actively identify and take action to address new and emerging biosecurity risks.	Standards to be implemented by government.
Decisions about the biosecurity continuum are made by Government on behalf of stakeholders.	...processes and fora for sharing information on biosecurity issues that will have a negative impact on New Zealand's biosecurity, and the systems in place to deal with them.	Decisions about the biosecurity continuum to be made by Government on behalf of stakeholders, including non-Signatories.
Government is accountable for biosecurity outcomes that are its responsibility.	...greater accountability of GIA partners for their performance in managing the biosecurity risks that are their responsibility.	Government to sets its priorities consistent with national interest and its commitments to Deed partners.

<p>Biosecurity incident response systems are maintained. Response policies evolve from government policies and drivers.</p>	<p>...agreed response policies<sup>1</sup> for priority pests that are developed over time by Deed signatories.</p>	<p>That MPI's response policies for specific pests may not be clear or pre-agreed.</p>
<p>A range of readiness activities is undertaken according to Government priorities and objectives and subject to available resources.</p>	<p>...readiness work that is undertaken jointly by MPI and industry through Operational Agreements, and that address the biosecurity needs and priorities of the partners .</p>	<p>Existing readiness work may or may not continue. MPI may cost-recover from industries who benefit from readiness work, e.g. existing surveillance programmes. New readiness work is undertaken at industry's own cost..</p>
<p>Biosecurity incident response decisions are taken by MPI staff without mandated consultation or engagement with affected industries.</p>	<p>...signatories impacted by an incursion of an unwanted organism to have a seat at the decision-making table from the beginning of a response to its end.</p>	<p>In the event of an incursion - MPI investigates, it may respond, and will pay for the response.</p>
<p>Government will determine which pest or disease incursions will be responded to in the national interest.</p>	<p>...MPI and relevant industry/ies a commitment to joint decision-making including deciding whether and how to respond to an unwanted organism.</p>	<p>MPI decides whether to respond or not. Industry is consulted but does not make or share response decisions.</p>
<p>Government pays for responses that it chooses to undertake.</p>	<p>...industry readiness and response costs that are capped at a maximum 50%, even where industry benefit is greater than this and,                      (i) In event of incursion in the first three years, MPI pays and does not cost recover response costs. Industry participates in decision making                      (ii) Industry pays a share of response costs post-2016, where it benefits</p>	<p>MPI will recover response costs from industry members that benefit, and where it is equitable and efficient to do so.</p>

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<sup>1</sup> Response policy: an agreed strategy which provides guidance and direction, and reduces ambiguity.

## 4. Industry's investment to date

This section is intended to record current investment in biosecurity by the industry, the focus and outcomes of these activities and the outcomes achieved. It can be consolidated into a biosecurity statement on behalf of the industry to assess its ability to meet the commitments in sections 3.1 and 3.2 of the Deed. Any readiness and response activities since 2005 should be included. The table in Attachment 1 can help to identify and cost activities, and present an analysis of the extent to which current investment and activities fulfil the minimum commitments described in the Deed.

### Engagement in the wider biosecurity system

Identify existing biosecurity commitments of [insert industry] to the wider biosecurity system and outline the commitments that industry is likely to be expected to make under the GIA Deed and the extent to which current activities meet Deed commitments (Section 3.1 of the Deed).

### Readiness activities

Readiness activities identified for each of the priority pests / diseases are described below. Detail the activity, purpose, priority and specific unwanted organism in the table. Activities may be targeted at all biosecurity threats or some specific organisms. Activities that deliver minimum commitments can be listed in Attachment 1 and resources identified.

Readiness activity	Need / Improve / Continue	Rationale
Response plans		<p>What pests have pre-prepared response plans? When were these finalised? Have they been updated recently</p> <p>What biosecurity outcomes are plans wanting to achieve?</p> <p>What status do the plans have eg. Draft, final, agreed by which organisation(s)?</p>
Treatment reserves eg. vaccine bank, access to chemicals		Response resources identified and maintained for rapid deployment
Development or registration of control tools		Tools that can be applied quickly in the event of an incursion eg. Efficacy is known, application or delivery of treatment or control measure is registered and/or legal
Communications activities		<p>What communications tools are used by the organisation?</p> <p>Are biosecurity messages provided to members? How often? Who by? What outcomes is sought?</p>

<p>Early detection and reporting of unwanted organisms</p>		<p>Do industry members know what high impact pests of their industry are and what they look like?</p> <p>Do the field officers who provide advice to the industry know what biosecurity risks are of concern to it? What skills and competency do they have? Are there any formal training programs for members and their advisers on unwanted pests?</p> <p>Do they know how to report a new organism?</p> <p>Who are they likely to advise? How soon after detection?</p> <p>Are they aware of and likely to use the MPI 0800 number?</p>
<p>Diagnostic capability</p>		<p>Are diagnostic protocols in place to confirm the identity of an unwanted pest? Who has these? Are they available to government? Are they validated or have any official recognition based on their known efficacy?</p>
<p>Technical and field capability</p>		<p>Is there capacity and capability within the industry to help deliver an eradication program?</p> <p>Is there any industry training undertaken to establish or maintain capability?</p> <p>What are some of the areas of technical and response capability/skills that industry members have or can access?</p> <p>Where are they accessed from? Who maintains them?</p>
<p>Surveillance</p>		<p>What surveillance programs are undertaken?</p> <p>Are they targeted or passive? Describe each survey program including target organism, frequency, confidence level achieved</p> <p>What is the purpose of each survey? Eg. Early detection, area freedom, market access?</p> <p>Who collects/collates the results?</p> <p>Who has access to them? Who uses them?</p>
<p>Population or movement data</p>		<p>Where is the industry based? What data is collected, consolidated and maintained about where production occurs, what biosecurity</p>

		measures are applied, how often, for what purpose?
Other – specify (add to list)		There may be other activities undertaken by or for industry that may meet normal commitments. Review the commitments sections of the Deed and identify activities, program, infrastructure etc that deliver meet the commitments identified

### Response activities

Provide details of any response activities in relation to a biosecurity threat to the industry since 2005. This might include a response to an unwanted organism impacting directly on the industry, or where a response to a pest or disease impacted the industry through application of movement controls, market impact, reduced access to field management tools etc. Identify the pest/disease and the response strategy as well as any resources that were provided to the response by the industry including direct payments, human or operational resources and in-kind contributions.

Describe how decision making, engagement, resourcing and response operations were managed and what roles were undertaken by industry and government.

List the response activities and costs, as well as the biosecurity outcome achieved in Attachment 2. Where a pest or disease has become established, describe, and where possible quantify, the impact of the organism on production, markets, product quality, yield, pest management etc including costs.

## 5. Future priorities

This section explores the benefits for industry in signing the Deed and developing Operational Agreements, or defaulting to the alternative arrangements. It identifies the biosecurity threats of concern to the industry and should present a systematic analysis of the potential impact of unwanted organisms including losses or changes to market access, additional costs of control or negative impacts on existing management programs, yield and quality issues, food safety considerations etc. Where an industry has identified biosecurity issues as critical to delivering its strategic outcomes, an analysis of strategies to mitigate the impact of these issues should also be presented.

### Priority unwanted organisms

Describe which pests / diseases are biosecurity priorities for your industry, and how these were identified. Why are they important? What impact would they likely have and why is this important? Is there a potential pathway? Is there intelligence from overseas that indicates new and emerging threats are developing or are causing impacts on industries overseas. What measures are in place or could be considered to prevent the entry or mitigate the impacts of these unwanted organisms should they enter NZ.

## Strategic biosecurity interests

Are there a number of industries that would be adversely impacted by the same unwanted organism? Are there opportunities for collaborative activities to prepare for and/or respond to that organism? What might preparedness look like? Are there other connections, links, alliances or other partnership opportunities that would better deliver biosecurity outcomes?

Would these alliances be facilitated under the Deed and benefit from formal agreement through an Operational Agreement? Are there alternatives to the GIA that could deliver these outcomes? Are there existing fora that would help form and support these alliances? Are there mechanisms to fund these alliances?

## 6. Issues relevant to securing mandate

### Securing a mandate to sign the Deed

In order to be eligible to sign the Deed, the Biosecurity Act 1993 requires that an industry organisation must satisfy the Minister for Primary Industries that they have the mandate of the sector, can meet their financial obligations and can prove they are a body corporate.

**NOTE: A package of information outlining mandate requirements and processes has been developed by MPI and should be read in conjunction with this business case guidance document.**

### Sharing response costs

The Biosecurity Act 1993 (as amended in 2012) enables the Ministry for Primary Industries and industry to share costs for readiness and response activities. The Act also provides MPI with powers to recover readiness or response costs from industries they receive a demonstrable benefit from the activity. Industry will need to contribute their share of costs through; a levy arrangement; another means of cost-recovery; in-kind contributions; savings or other means agreed by members and accepted by the Crown.

Table 1 shows cost sharing transition for those who sign the Deed. For industries that do not sign the Deed, MPI may cost recover response activities post 1 July 2016.

**Table 1. 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%

### Funding mechanism and mandate

This section explores what is required for an industry organisation to achieve a mandate from its members to sign the Deed. The Biosecurity Act 1993 as revised in 2012 provides guidance for industry organisations on these requirements.

The costs of demonstrating mandate should be calculated based on the activities required to meet the requirements for mandate that are outlined in the Biosecurity Act. The table in Attachment 3 may assist in identifying actions necessary to demonstrate mandate and calculating the costs that may be involved.

Mandate may be leveraged from actions to establish a commodity levy. Similarly, the development of a biosecurity levy to meet Deed financial commitment may be leveraged off similar actions to establish a commodity levy. A commodity levy cannot be used to fund response costs that are to be repaid over a period longer than the life of the commodity levy so a levy under the provisions of the Biosecurity Act may need to be established unless the industry organisation proposes alternative means to repay any response costs.

### Commodity levy

What would need to be done? How long would it take? How much would it cost? What strategy is proposed eg. Build on commodity levy processes, referendum, vote, annual meeting etc. (GIA Handbook guidance]

*Do you currently have this in place for your industry? Is the scope sufficiently broad to include readiness programmes?*

The key relevant characteristics of a commodity levy are as follows:

- . Multi-purpose possible
- . Can't be set at zero
- . 6 year review
- . Annual consultation
- . Collected by industry

### Biosecurity Act levy

This is collected under the biosecurity act provisions. Legislative amendments currently before the house would allow it to be collected by either MAF or industry for GIA purposes.

The key relevant characteristics are:

- . Collected for single purpose
- . Can be set at zero
- . No pre-specified review date

*(outline which of these mechanisms you prefer and why)*

Note that these levies both recover from the whole industry, not just the members of the industry organisation.

### **Exacerbators**

Are there biosecurity risk creators within or affiliated with the industry? Does the industry benefit from imported material such as germplasm or machinery? Are biosecurity risks managed appropriately? Is the risk activity undertaken in the best interests of the industry? Is the level of risk, as managed, acceptable to the industry? Are there any risks that are not acceptable? Is there any action underway to develop mitigation measures to reduce risks to an acceptable level? Are there alternative means of achieving the industry benefit that present a lower level of biosecurity risk? Is there any benefit to the industry to establish a mechanism for recovering costs or contingency funds from these exacerbators to offset costs of any response arising from risk activities?

### **Beneficiaries**

This section explores who benefits from industry being part of the Deed or defaulting to alternative arrangements. Use highest priority and/or impact biosecurity threats identified above to test and document the benefits from avoiding an incursion.

Beneficiaries might include down-stream users of primary products such as exporters and/or processors. Identify who benefits from the current pest and disease status of the industry. Who would be impacted by an incursion of a significant unwanted organism? Who benefits from avoiding the impacts of such as organism? How do they benefit? How much do they benefit (\$\$ or in kind)? What is the comparative benefit of all beneficiaries? Does the unwanted organism have a native host, or would it impact human health, the built or natural environment? What is the comparative impact ie public vs industry good?

### **Cost share and allocation proportions**

Using the beneficiary analysis for the biosecurity threats identified above, estimate the likely cost share with reference to the Deed schedule on cost shares with reference to guidance in the Deed on their allocation relative to benefit accrued from impact forgone. How would these be allocated across multiple industry or organisation beneficiaries? Who will make the decisions on behalf of industry? Would this be confirmed through the mandate process?

### **Budgetted costs and fiscal caps**

What can industry afford to pay in the event of a response to an unwanted organism? What is a realistic fiscal cap? How would this be calculated? How will it be agreed by industry? Is this part of the mandate consideration? Is the cap the same for all organisms? Does it change in relation to the benefits from avoiding the impact (the higher the long term impact of the organism, the higher the fiscal cap)?

How much is industry prepared to invest in readiness activities? What proportion of investment is already allocated to minimum commitments? How will industry determine what its readiness priorities are? Who will make investment decisions on behalf of industry? Who will negotiate readiness activities in an Operational Agreement?

Using the cost estimates from the tables in Attachments, estimate annual readiness costs for readiness and minimum commitments, including costs associated with meeting Deed governance obligations. How is it proposed that these costs are funded?

## **7. Conclusion**

For industry to fill in from analysis of benefits and costs of signing the Deed in comparison with the alternative. Note that the status quo will not be maintained by government. There will be two operating options for readiness and response – as a signatory or non-signatory to the GIA Deed of Agreement.

## **8. Summary of value from signing the Deed**

For industry to fill in from analysis undertaken.

Use Table 1 to document the current status and likely actions and investment needed by industry to meet Deed obligations against what is already in place. Detail the activity, purpose, priority and specific unwanted organism (target) in the table. Activities may be targeted at all biosecurity threats or some specific organisms.

Table 1. Estimated costs of Deed commitments and outcomes

Industry commitment	In place	Met (%)	Examples of actions to meet commitments	Cost
Example Wide industry awareness of reporting new pests	Industry newsletter Industry field days Communication events	80%	Regular newsletter articles on emerging threats  Repeated reference to the 0800 reporting number	
Others				

Use Table 2 to document estimated benefits to industry from minimum and specific commitments, as well as biosecurity outcomes, in the Deed.

Table 2. Estimated benefits from Deed commitments and outcomes

Industry commitments	Process in place	Benefits sought	Realised (%) with existing processes	Value of benefits from action
<p>Example:</p> <p>Report new and emerging pest and disease threats</p>		<p>Measures in place to reduce risk of entry</p>		
		<p>Shared investment in readiness</p> <ul style="list-style-type: none"> <li>- diagnostics in place</li> <li>- awareness</li> <li>- rapid reporting</li> </ul>		
		<p>Early detection</p>		
		<p>Reduced size and cost of response</p>		
		<p>Joint decision making – better outcomes in response, return to market sooner</p>		
		<p>Others</p>		

The table can be used to list the response activities and costs, as well as the biosecurity outcome achieved for specified pests impacting the industry since 2005. Where a pest or disease has become established, describe, and where possible quantify, the impact of the organism on production, markets, product quality, yield, pest management etc including costs.

Incursion response actions	Costs	Impacts of pest/disease where eradication was not achieved	Costs	Total cost
<b>Pest/Disease</b>				
Summary of action and biosecurity outcome achieved Eg. Pest/disease was detected (date), actions taken (containment, eradication) between (dates), outcome (eradication, established etc.) declared (date)		Summary of ongoing impact of the pest or disease where it has become established (per annum estimates)		
Containment		Reduced yield		
Surveillance		Reduced quality		
Laboratory		Increased production costs eg. Chemical treatments, changed breeds, varieties		
Eradication		Increased market access cost		
Market access negotiations		Increased regulation costs eg. MPI supervision for export		
Commodity treatment measures for market		Others - list		
Others - list				

The table can be used to identify and total the costs of meeting the requirements for an industry organisation to satisfy the Minister that it has the agreement of members to sign the GIA Deed consistent with the Section 5A of the Biosecurity Act. By describing the steps needed, it may be possible to identify actions that can be completed concurrently through consultation and/or voting processes to reduce costs.

Activity	Outcome required	Cost
<p>Establishing body corporate</p> <p>Describe the steps needed to establish the industry organisation as a body corporate and the outcome from each step. Itemise costs and total.</p>		
<p>Securing agreement to mandate among members to be represented eg. Communication, consultation, vote</p> <p>Describe the steps needed to engage and secure agreement from members for the industry organisation to sign the Deed on their behalf. Define the outcome from each step. Itemise costs and total.</p>		
<p>Establishing financial arrangement to meet Deed obligations eg. Levy, membership fees</p> <p>Describe the steps needed to develop and/or secure agreement or Deed financial arrangements. Define the outcome from each step. Itemise costs and total.</p>		
<b>Total</b>		