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### DISCUSSION PAPER

#### Revised operating model and framework for the Deed Governance Group

9 May 2014

#### Recommendation

Potential Deed Signatories are asked to consider the revised principles for the Deed Governance Group (DGG) operating model and proposed DGG operating framework, and provide advice to the Interim Governance Body (IGB) on the:

- a. Revised principles
- b. Any missing principles
- c. The proposed DGG operating framework and the Operating Rules outlined
- d. Any components of the operating framework that are missing
- e. Any Rules that should be added to ensure the effective operation of the DGG.

Your feedback is requested by 31 July 2014 and should be provided by email to [secretariat@gia.org.nz](mailto:secretariat@gia.org.nz). The consolidated outcomes of the consultation will be considered by the IGB or its successor, which will finalise the DGG operating model in light of any comments received and circulate it in the GIA Newsletter around August 2014. Operating Rules to implement the final model will then be drafted.

#### Introduction

The Deed makes reference to the role and function of the Deed Governance Group (DGG). The principles for the DGG operating model were circulated to potential Deed Signatories in November 2013, inviting their consideration and advice.

The principles have been revised following written feedback from a number of organisations, and discussion at the March Biosecurity Forum 2014/I. Written feedback was summarised in Forum agenda papers relevant to the operating models in '*Talking shop: Feedback on the GIA discussion papers*'.

An operating framework for the DGG is proposed. This will direct the development of the DGG Operating Rules and is underpinned by the principles for the operating model. It takes into account feedback provided on the principles.

The proposed provision for an Associate Membership has been removed pending further consideration of the concept by potential Signatories.

#### References

[Discussion paper: Operating Model for the Deed Governance Group](#)

[Feedback on the Operating Model for the Deed Governance Group](#)

[The Government Industry Agreement for Biosecurity Readiness and Response Deed](#)

## **Operating model for the Deed Governance Group**

### **Revised principles - April 2014**

The following principles have been revised to reflect feedback from potential Deed Signatories and are proposed as final principles:

1. The DGG is a governance group and has no legal status except as an instrument of the Deed.
2. Its overarching role is to preserve the integrity of the Deed for all Signatories.
3. It has no role in biosecurity responses or the negotiation of Operational Agreements.
4. It has no financial delegations or authority.
5. The DGG appoints and monitors the performance of the Secretariat Manager.
6. The Operating Rules must not be inconsistent with the provisions of the Deed.
7. The DGG is for Deed Signatories only and will act in the collective interests of Deed Signatories.
8. All DGG Members have equal status.
9. Each Deed Signatory is entitled to appoint a person, who need not be a director, member or employee of the Signatory, to membership of the DGG.
10. The Nominated Representative has the delegated authority of the Signatory organisation to represent their interests in DGG discussions, and act in the collective interests of the DGG as appropriate.
11. Each Deed Signatory can appoint an official alternative DGG Member.
12. If a DGG Member misses any three consecutive meetings or five meetings in any two calendar years, the Deed Signatory must appoint a replacement DGG Member.
13. The DGG will meet in person at least twice year, with these meetings scheduled adjacent to the biannual biosecurity forums.
14. Operating Rules will allow for additional meetings as needed.
15. The Rules will provide for face to face, video and audio meetings and decision-making by email – as equivalent to decision-making in meetings.
16. The quorum for DGG meetings is 50% of Deed Signatories, of whom one must be the Government's Representative.

17. The DGG will appoint a Chair.
18. The Chair does not rotate between government and industry.
19. The Chair will not have a deliberative or casting vote. Accordingly, any Deed Signatory from which the Chair is elected may appoint an alternative ordinary Member in addition to its Member serving as Chair.
20. An independent Chair may be appointed by unanimous agreement of the DGG Members. In this case, the DGG will also appoint a Vice Chair.
21. A Chair and Vice Chair will serve for a two year term and are eligible for re-election for up to three consecutive terms and an unlimited number of non-consecutive terms.
22. There is no financial remuneration for the Chair and Vice Chair unless this is agreed by Deed Signatories.
23. Operating Rules will apply to decision-making other than by consensus, and may include how voting is initiated, the threshold for proposals to be carried and matters related to proxy voting.
24. In accordance with any Operating Rules and operating under such rules, the DGG may establish committees of employees or appointees of Deed Signatories.

## Proposed operating framework for the DGG

The Deed Governance Group (DGG) provides oversight of Deed processes and gives direction to the Secretariat. It is for Deed Signatories only and acts in the collective interests of the Signatories.

It's overarching role is to preserve the integrity of the Deed for all Signatories. It does this by:

- a. Approving the annual work plan and budget for the Secretariat
- b. Monitoring the delivery of the Secretariat annual work plan, and review the budget and finances
- c. Approving policies and procedures that are developed by the Secretariat
- d. Considering and recommending to Signatories any amendments to this Deed
- e. Appointing, and monitoring the performance of, the Secretariat.

The principles of the operating model underpin the Operating Rules that direct the actions of the DGG consistent with the Deed. The following operating framework for the DGG is proposed. This will direct the development of the DGG Operating Rules.

### DGG role and function

#### Explanatory note

The DGG has no status conferred to it by the Biosecurity Act 1993 except where its role and function is explicitly directed by the Deed. Any legal status for the DGG is conferred by the Deed as a legal agreement that binds its Signatories.

The purpose of the DGG and its responsibilities are described in section 4.1 of the Deed.

The Operating Rules will apply to Version 1.0 of the GIA Deed, dated 30 June 2013. They should be reviewed and potentially amended to accommodate subsequent versions of the Deed.

Feedback on the operating model proposed that the DGG should have financial delegation and authority within the budget allocated to the Secretariat in order to prevent mis-alignment between the role of the DGG to govern the Secretariat and direct its activities, and financial delegations.

The Operating Rules could include a legal financial accounting and governance framework - if the DGG is delegated funding approvals for the Secretariat by MPI prior to 31 December 2019 (when the Deed states that MPI funding of the Secretariat will cease) or after that time by agreement of Deed Signatories – taking into account outcomes of the review of the Secretariat that is required by 30 June 2017 [*clause 4.2.5 of the Deed*]. This framework could be amended to accommodate an Executive Committee operating as a Board.

The Operating Rules will include a preamble that describes the roles and responsibilities of the DGG, as well as any activities that are outside of the scope of the DGG.

## Administration

### Explanatory note

Operating rules are established and amended by Signatories through the DGG. They must not be inconsistent with the provisions of the Deed and must support the underlying principle that all DGG Members have equal status.

During the transition from the Interim Governance Body to the Deed Governance Group, Operating Rules will be developed in consultation with potential Signatories and considered interim until they are reviewed and endorsed by the formally constituted DGG.

The Operating Rules and the Deed should be read together. Any changes in the Deed will be referenced or updated in Operating Rules to reflect new or amended provisions.

Should the scope or authority of the DGG change as a result of changes to the Deed, the status and voting rights of the Signatories through the operation of the DGG should be reviewed consistent with these changes. Any amendments to Operating Rules should ensure that principles of equity, fairness and transparency are applied.

The Operating Rules will describe the processes for approving, monitoring and reviewing the delivery of the Secretariat annual work plan against its budget and key result areas [*clauses 4.1.5 a, b, c of the Deed*]. An element of the Secretariat role is to provide advice to the DGG on the performance of the Deed as a whole. The Operating Rules will, to the extent necessary, outline processes relevant to this outcome.

They outline processes for identifying, considering and recommending to Signatories any amendments to the Deed [*clause 4.1.5e of the Deed*].

The Operating Rules will describe the processes for recruiting the Secretariat Manager and will apply MPI recruitment procedures and policies for so long as the Manager is an MPI employee. [*Clause 4.1.5e of the Deed*]

Monitoring and reviewing the performance of the Secretariat Manager will apply the performance management process that has been agreed by the Interim Governance Body (IGB) and posted on the GIA website.

## Membership

### Explanatory note

Deed Signatories are bound by the rights and obligations conferred by the Deed. The DGG operates under the Deed and is limited in its actions by the provisions of the Deed. Only Deed Signatories have the right to participate in the DGG.

The Deed provides for each Signatory to appoint one person as its representative on the DGG as an entitlement [*clause 4.1.1 of the Deed*]. This does not compel Signatories to have a DGG representative if they choose not to.

The Deed clearly states that decision-making will treat all Signatories consistently and by consensus unless otherwise agreed by the Signatories [*clause 2.2.3 of the Deed*].

Ensuring that Signatory requirements for prior consultation are met is the responsibility of the DGG member.

The Operating Rules will provide guidance on the entitlement of a Deed Signatory to appoint a Member to the DGG to represent its interests and those of the DGG in preserving the integrity of the Deed. The DGG Member need not be a director, member or employee of the

Signatory. They will describe any conditions applying to the DGG Member, their authority, as delegated by the Signatory(s) they represent, the appointment of an official alternative Member and arrangements for replacing Members.

The Operating Rules will provide for the DGG to bring in independent advisers to provide specific expertise, by agreement of all DGG members. They will allow observers from a Signatory organisation by agreement of all DGG members. The conditions applied to independent members and observers will also be outlined in the Rules.

The participation in the DGG of potential Deed Signatories – that is, potential Signatories that have completed consultation processes with their organisation members and where their submission to the Minister seeking approval to sign the Deed is being considered - is at the discretion of the DGG and must be agreed by all members. The application and approval arrangements and the conditions under which potential Signatories can participate in the DGG will be outlined in the Operating Rules.

One person may represent the interests of more than one group where this is agreed by the Signatories that person will represent. The Operating Rules will accommodate such an arrangement for decision-making, including for decisions other than by consensus.

The Operating Rules will require that the name of the DGG Member and their alternate be provided to the GIA Secretariat by the Deed Signatory immediately they sign the Deed, and are kept current.

The Operating Rules may require DGG Members to disclose where their delegated authority impacts on their ability to fully represent the interests of the Signatory organisation or the collective interests of the DGG and the responsibilities that these members have to ensure that they can provide definitive input into any decision of the DGG.

## Meetings

### Explanatory note

Meetings should be held frequently enough to enable true governance of the Deed and management/oversight of the Secretariat, but at a minimum twice a year adjacent to the biannual Biosecurity Forums. The Interim Governance Body has met every six to eight weeks.

The Operating Rules will define the nature of a meeting, and outline processes for calling a DGG meeting, including providing notice of meeting, seeking agenda items and papers and reporting by minutes and communiqués.

A quorum for any meeting held under the authority of the DGG is 50% of Deed Signatories, of whom one must be the Government's Member.

## Chair

### Explanatory note

The DGG will appoint a Chair from the DGG membership, or by unanimous agreement it may appoint an independent Chair.

The Chair will be appointed from the DGG membership and the processes for nominating, agreeing and operating the Chair are set out in the Operating Rules. These include representational arrangements for the Deed Signatory that provides the Chair and the terms of the Chair and any Vice Chair.

The proposed Chair and the Signatory that they represent are both required to consent to the appointment and make arrangements for an alternative ordinary Member to represent the Signatory for the duration of the Chair appointments. There is no provision for a Vice Chair when the Chair is appointed from amongst the Members.

The operating rules will outline the arrangements for appointing an independent Chair and include the provision for a Vice Chair when an independent Chair is appointed.

Unanimous agreement means that every DGG Member agrees to:

1. The appointment of an independent Chair, and
2. The individual nominated to serve as the independent Chair

Operating rules will detail how agreement is demonstrated and defines 'unanimous agreement' as all DGG members declaring their agreement. Abstaining is not allowed.

The operating rules will specify who will agree to remuneration being made, how to determine the financial remuneration being paid out, any conditions under which it is made and how it will be funded.

## Decision-making

### Explanatory note

While the Deed is clear that decision-making will be by consensus, it makes provision for Signatories to allow otherwise where they agree to do so. [*Clause 2.2.3 of the Deed*].

The Operating Rules will enable DGG to develop alternative rules for making decisions in order to ensure that it is an effective governance body. The rules will specify any conditions for applying alternatives to consensus, such as when and how they can be used or not.

Specific Rules will outline a decision-escalation process on resolutions where consensus cannot be achieved, which includes voting, and describes how the DGG will undertake to vote.

The Operating Rules will describe how voting is initiated, the threshold for proposals to be carried and matters related to proxy voting. Any decision to vote must be made by consensus.

Any voting system must ensure equity between members such that it:

1. Takes into account the balance of interest across the membership
2. Accommodates numbers of industries and industry value.

The Operating Rules for proxy votes will accommodate arrangements where DGG Members may represent more than one Deed Signatory.

The Rules will describe issues resolution procedures that may be applied where DGG Members cannot agree to a vote or alternative means of finalising a resolution.

## Subordinate committees

### Explanatory note

The Deed allows the DGG to establish a range of subordinate committees [*clause 4.1.7 of the Deed*].

The Operating Rules will describe the processes by which the DGG will establish and direct the operations of (i) an executive committee, (ii) working group(s), (iii) subcommittees; or (iv) individuals or groups undertaking a specific task or activity, for the efficient achievement of DGG functions and outcomes.

The Rules will provide guidance to DGG on the authority that may be delegated to these entities and any relevant considerations on their operation.

## **Out of scope**

The DGG has no decision-making powers in term of any financial or other commitments of any Signatory [*clause 4.1.4 of the Deed*].

The DGG has no role in:

- Biosecurity responses or the negotiation of Operational Agreements
- Prioritisation or technical and practical aspects of service delivery

Actions undertaken specifically for the purpose of improving biosecurity generally or in the interests of potential signatories or non-signatories are outside the scope of the DGG role, although DGG actions may generate a consequential impact on them.