



ANNUAL REPORT

2017/2018

PUBLISHER

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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 the Ministry for Primary Industries and industry signatory representatives of the Government Industry Agreement for Biosecurity Readiness and Response), including any of its 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 that may be present, nor for the consequences of any decisions or actions based on this information.

October 2018

GIA partnership

The Government Industry Agreement for Biosecurity Readiness and Response (GIA) was established with the signing of the GIA Deed in May 2014.

The GIA operates as a partnership between government and primary sector industries to promote better biosecurity through an integrated approach to preparing for and responding to biosecurity risks.

GIA partners

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

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

New Zealand Citrus Growers Inc
Signed: 16 March 2016

Dairy Companies Association of New Zealand
Signed: 15 August 2017

New Zealand Equine Health Association
Signed: 26 January 2015

New Zealand Forest Owners Association
Signed: 5 November 2015

Horticulture New Zealand
Signed: 11 June 2018

New Zealand KiwiBerry Growers Inc
Gazetted: 16 June 2016

Kiwifruit Vine Health
Signed: 20 May 2014

Meat Industry Association of New Zealand
Signed: 19 September 2017

Ministry for Primary Industries
Signed: 20 May 2014

Nashi New Zealand Inc
Gazetted: 18 August 2016

Onions New Zealand Inc
Signed: 9 October 2015

New Zealand Pork Industry Board
Signed: 22 July 2014

Potatoes New Zealand Inc
Signed: 9 December 2016

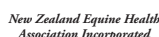
Summerfruit NZ
Signed: 14 September 2017

Tomatoes New Zealand Inc
Signed: 7 September 2016

Vegetables New Zealand Inc
Signed: 8 November 2016

New Zealand Winegrowers Inc
Signed: 30 May 2017

*** Since the end of 2017/18, two further organisations have also received Ministerial approval to join GIA:**
DairyNZ and Beef + Lamb New Zealand.





With all the larger plant and livestock sectors now in the partnership, GIA holds a unique position connecting industry and government.



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Secretariat report

It is now four years since the GIA Deed was signed by the Ministry for Primary Industries (MPI) and Kiwifruit Vine Health, as the first industry member. GIA now has 21 members, covering nearly all of New Zealand's primary industries.

With all the larger plant and livestock sectors now in the partnership, GIA holds a unique position connecting industry and government and is truly representative of the primary sector. This gives us a firm platform for pan-industry skills and information sharing and a coordinated approach to biosecurity.

Another area of significant development for GIA this year has been in the operational delivery of biosecurity activities. The delivery side of GIA is primarily through operational agreements, which are 'contracts' between MPI and one or more industry sectors. Operational agreements set out the terms for joint decision making and cost sharing for readiness and response activities and pave the way for joint biosecurity plans and activities to be implemented.

Operational agreements

In 2017/18, operational agreements were a primary focus of GIA, investing joint funds into the priority areas agreed by people who know their sectors. Two multi-sector operational agreements are now in operation, with a third close to completion, and four single-sector operational agreements have also been concluded.

Fifteen sectors are signatories to operational agreements and are actively involved in investing joint funds into readiness and response work.

The earliest of these operational agreements, the Fruit Fly Operational Agreement, is now into its third year of a five-year readiness strategy. Its initial set of co-funded projects is largely complete and the second generation of projects are under way. This agreement shows how GIA is transitioning from its establishment phase to full operation, even as new members continue to join and some systems continue to be built.

The Brown Marmorated Stink Bug (BMSB) Operational Agreement, signed in July 2017, is also implementing a five-year strategy, with significant targeted readiness investment under way.

The new to New Zealand disease, *Mycoplasma bovis* (*M.bovis*) hit before the affected industry sectors had joined GIA. Nevertheless, parties collaborated to get the

much-needed response under way in the spirit of GIA, with governance and cost-sharing arrangements following the principles of GIA. An *M.bovis* operational agreement is under development to give longer-term structure for the two industry sectors partnering with MPI in the response.

There is no guarantee that the *M.bovis* response will successfully eradicate the disease, but it is clear that the right parties are involved in the decision making and their expertise, commitment and funding give us the best chance of success.

Single-sector operational agreements focus on areas of risk to specific industries. Progressively, an increasing number of sectors are working with MPI to develop agreements that address their highest-risk pests and pathogens. The pace of development is tempered by constrained resources (people and money), but industry needs are driving the priorities.

Further operational agreements (single-sector and multi-sector) are under consideration, and 2018/19 will see sustained activity in this area.

Despite the achievements described above, 2017/18 saw delays, with several policy issues that are crucial to the GIA model still awaiting resolution. We have arrangements in place to enable GIA's biosecurity activities to get under way, but these arrangements are only interim in nature. Unfortunately, events outside GIA, notably the scale of the *M.bovis* response, has brought additional complexity to the policy issues, while highlighting the need and urgency for workable solutions. There will be a strong push in 2018/19 to resolve these issues.

The *M.bovis* response has been both a threat and an opportunity for GIA. The scale of the response has stress-tested various elements of the GIA package and raised questions about the system's resilience to cope with very large or multiple responses. The learning from the *M.bovis* experience will be helpful in addressing these issues to make us better prepared for these rare but extreme events.



Case proved for GIA

In the past year, several high-profile biosecurity incursions into New Zealand, if unchecked, had the potential to cost the country and its economy many millions of dollars. The cost in dollars, disruption and distress is considerable, and the same might be repeated in other sectors, large or small, if serious incursions impact on their members' livelihoods. There are pests and pathogens across the planet that potentially threaten all our primary industries, recreational growers, and unique native species. As an island nation, we have some natural protections, but increasing trade and tourism along with environmental factors like climate change have propelled biosecurity into a major risk that affects New Zealand.

Ultimately, the aim of the readiness investment programmes under the operational agreements is to reduce the likelihood and impact of damaging incursions. In an open trading economy such as New Zealand's, there will always be risks, but informed, proactive, joint investment can lower them.

A strong GIA builds awareness and keeps a focus on biosecurity threats and protections, gets industries working with each other and with government, and encourages the building of biosecurity expertise and leadership. It ensures biosecurity receives heightened attention in government, in boardrooms, on the marae, in farms and orchards, and, increasingly, among the public.

Growth pains

As GIA continues to grow and put practical biosecurity activities into place, it is experiencing the inevitable growing pains. Governance arrangements that work smoothly with a handful of members, are less fleet-footed with 21 partners. Our challenge is to preserve the culture we have built of openness, trust and mutual influence and, at the same time, create a structure that is efficient and effective at scale. We need to streamline processes with appropriate infrastructure, without losing sight that biosecurity action is the central focus.

At the same time, important developments have occurred in our environment. The *M.bovis* response has been mentioned. The government has changed, bringing new ideas and policies. The High Court delivered a judgment

in the longstanding claim for compensation by some kiwifruit growers against the government relating to the PSA virus. Finally, the 10-year system-level strategy for biosecurity, Biosecurity 2025, has progressed towards implementation, in particular, with the launch of the *Ko Tātou This Is Us* programme, which GIA is proud to support. All these things intersect with GIA.

We have a GIA refinement and improvement project under way to accommodate growth and the above-mentioned external factors and to ready GIA for the future.

Highlights in 2017/18

A highlight from 2017/18 would have to be successfully avoiding fruit fly and BMSB incursions throughout the year, aided by efforts to raise awareness of the risks and by the early interception of threat material.

It would be unwise to claim that New Zealand remains pest-free solely because of GIA. However, the work done under GIA by the Fruit Fly Council and the BMSB Council has undoubtedly helped us to be vigilant, better informed and better prepared to deal with these threats.

This has been a challenging year for New Zealand from a biosecurity point of view. As well as *M.bovis*, MPI has managed myrtle rust, *Bonamia ostreae* and other lower profile responses, with other GIA members and prospective members playing their part in decision making and resourcing. These pests and diseases arrived before all the affected sectors joined GIA, so GIA's emerging systems have been stress-tested and improved in real time.

As described later in this report, we survey members annually about the most-important aspects of our relationship (trust, openness, value, confidence and influence). Ratings remain highly positive, consistent with last year's results. However, we must take cautionary outlier comments and ratings as a warning against complacency and a strong confirmation that responses test the strength and commitment of relationships as resources get stretched. Members are strong in their advocacy for GIA as a valued vehicle for biosecurity, but we cannot take its future as assured.

MPI had a very busy summer at the border with BMSB, in particular, intercepting this hitchhiker bug many times as it found its way here from infected countries. GIA's 'engagement across the system' was well demonstrated through excellent information exchange and robust and rigorous consultation between industry members and MPI about risks and actions.

Chile is one of the countries newly threatened by BMSB and, as the first southern hemisphere country to be infected, it is of particular interest to New Zealand. The BMSB Council sponsored a small delegation to view Chile's situation and its response work, and the council also brought Chile's technical expert to New Zealand to share experiences and knowledge. The lesson from this has informed our thinking on our surveillance, readiness

and response activities. The relationship we have established with Chile (and are establishing with other affected countries) will have ongoing value.

GIA has, for a long time, had extensive membership among horticultural sectors. This year our long-term 'animal' members (New Zealand Pork Industry Board and New Zealand Equine Health Association) were joined by the Meat Industry Association of New Zealand and Dairy Companies Association of New Zealand (and with DairyNZ and Beef + Lamb New Zealand joining soon after the end of 2017/18). The accession of these major sectors has helped GIA become a comprehensive pan-industry-government partnership. This is certainly a highlight for the year and a major milestone for GIA.

Alongside GIA, work has continued to develop Biosecurity 2025, the system-wide 10-year strategy for New Zealand biosecurity. GIA and its members have been involved at various levels, from providing input at a governance level to involvement in planning and the various implementation workstreams. GIA's involvement with this important programme will continue.

Engagement across the system

MPI and industry members of GIA regularly shared information on border performance throughout the high-risk seasons for various threats. This has built confidence in the border systems, increased industry knowledge about threats, and provided mechanisms for MPI to consider industry views when making decisions.

Into the future

As 2018/19 gets under way, a number of new biosecurity issues have arisen. MPI and some horticultural GIA members have been coming to grips with imported plant material that had incorrectly been certified as safe by an offshore facility, then imported to New Zealand nurseries. Although not a formal 'GIA response', the parties approached this from a partnership point of view. The challenge was to assess what the real risk was and what action was needed to deal with the risk. This example illustrates well that each biosecurity event is different, and collective wisdom and effective communication is crucial to getting the best outcomes. With confirmation that the potato mop top virus had been found in the South Island, the first formal response under GIA started in September, involving Potatoes New Zealand Inc and MPI. Also the *M. bovis* response continued to unfold (see later in this report). Another operational agreement (this one between Onions New Zealand Inc and MPI) is nearing signing, and several sectors are expected to join GIA. Most pleasingly, more and more readiness work is getting under way to reduce our overall risk.

In the coming year, operational agreements will rightly remain a major area of focus for GIA. Work on such agreements to deal with further multi-sector threats (such as *Xylella fastidiosa*, a plant pathogen) is already under way, and further single-sector agreements will be initiated. With our accumulated experience, the process

of finalising the agreements is speeding up, meaning we can more quickly get into devising and implementing biosecurity plans and activities. Existing operational agreements will continue their investments to strengthen their protective measures.

We will do further work to streamline and adapt GIA's governance and to optimise its administration and processes. We need to prepare the ground this year for the next era for GIA, after MPI's full-funding of GIA infrastructure is scheduled to cease on 31 December 2019.

The enduring issue of liability protection for GIA decision makers is expected to be resolved during 2018/19 with a longer-term solution that will see full implementation of decision making and cost sharing under GIA implemented for the first time.

With the GIA partnership moving to a steady state of activity, many partners are turning their minds to finalising the mechanics of funding arrangements to meet GIA commitments.

So we expect 2018/19 will see most industry signatories progress the introduction of biosecurity levy mechanisms. The government has also signalled it intends to consider system-wide response funding mechanisms. GIA welcomes this consideration and the Crown's assurance that all partners will be involved in consideration of this important issue.

Lastly, as GIA moves into its fifth year, it is inevitable that some of the people who have contributed their time and energy to building GIA are now moving on to other interests. Later in this report we acknowledge the particular contribution of Barry O'Neil, but the Deed Governance Group would also like to thank all those who have helped with the growth and implementation of GIA.



Jen Scoular
DGG Chair



Steve Rich
GIA Secretariat Manager





By the numbers



19

GIA members (last year 15)

Note: now 21, 2 further organisations received approval from the Minister



53

beneficiary sectors identified in operational agreements



Over **\$30 billion**

of annual sales represented by GIA members



15

GIA members in at least one operational agreement (last year 11)



3

incursions with GIA involvement

\$460,000

in readiness work under operational agreements (not including pre-existing programmes and individual sector spending)



67%

Rating of value
from GIA
(75% last year)

- 1** multi-sector
operational agreement
- 3** single-sector
operational agreements

IMPLEMENTED
THIS YEAR



73%

Rating of influence
on biosecurity
(60% last year)

4

sectors signed the
Deed this year
(and 2 signed after
year-end)



Member
satisfaction
with culture
of GIA:

87% Trust
(81% last year)

**93%
Openness**
(94% last year)

87%

Rating of confidence
to manage biosecurity
(54% last year)



Measuring our success

The Deed Governance Group (DGG) identified a set of measures in 2016 to help gauge progress with the ongoing success of GIA. Each year, the GIA annual report includes an update of the measures.

Table 1 shows the results from our annual membership survey, which gives us indicators of the crucial 'cultural' elements of GIA. A partnership like ours depends on having a strong, resilient culture as a foundation for its joint work.

The table shows the questions asked in our independently conducted survey of GIA members and observers and their responses. The figures in brackets are last year's responses to the same questions.

Satisfaction ratings (that is, agree plus strongly agree ratings) remain high for trust (87% this year compared with 81% last year) and openness (93% from 94%).

Ratings improved markedly for influence (to 73% from 60%) and confidence (to 87% from 54%). However, the rating for value from GIA fell (to 67% from 75%).

We attribute these changes (both positive and negative) to the greater experience this year of undertaking joint work under GIA. In particular, the response situations that have included GIA members stretched the resources of all parties and put relationships to the test.

Overall, ratings indicate that GIA remains strong. However, the outlier ratings and the drift from the highest ratings caution us against complacency and motivate us to continue to build GIA's systems and culture.

Table 1: Results from GIA membership survey, 2017/18 and 2016/17 (in brackets)

	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)
The current level of trust between GIA partners contributes towards achieving GIA's aims.	13 (44)	73 (37)	7 (19)	0 (0)	7 (0)
The current level of openness between GIA partners contributes to achieving GIA's aims.	20 (44)	73 (50)	0 (0)	0 (6)	7 (0)
My sector gets significant value from being part of GIA.	20 (31)	47 (44)	27 (25)	0 (0)	7 (0)
Being a GIA partner gives us significant influence over matters affecting the biosecurity of our sector.	13 (27)	60 (33)	9 (40)	0 (0)	7 (0)
Since becoming a GIA partner, my confidence in my sector's ability to manage biosecurity readiness and response has improved.	20 (7)	67 (47)	10 (47)	0 (0)	7 (0)



Building a strong partnership

“The Meat Industry Association was one of the first livestock industries to join the GIA because members appreciated the absolute importance of being involved in biosecurity readiness and response. The *Mycoplasma bovis* outbreak has demonstrated this and reinforced the importance to biosecurity effectiveness of a true partnership between industry and government.”

– Tim Ritchie, Chief Executive, Meat Industry Association of New Zealand



Meat Industry Association of New Zealand
Signed 19 September 2017



Dairy Companies Association of New Zealand (DCANZ)
Signed 15 August 2017

“DCANZ has signed up to GIA to work in partnership with government and other industry players, to prepare for and minimise the potential impact of biosecurity pests and diseases for our sector. We are looking forward to working with MPI and others to strengthen readiness for key issues of concern to dairy processing and trade.”

– Kimberly Crewther, Executive Director, DCANZ

“Committing to the GIA enables us to have closer, more informed, interactions with the Ministry for Primary Industries (MPI) and other GIA industry partners around biosecurity. This includes planning for potential incursions and taking a leading role in collective biosecurity management where it impacts on our members.”

– David Hadfield, Chair, Process Vegetables New Zealand



Horticulture New Zealand signing on behalf of Process Vegetables New Zealand. Signed 11 June 2018



Summerfruit NZ
Signed 14 September 2017

“A proactive approach to biosecurity between government and industry, that we have long had our eyes on, has come to fruition. Through the Fruit Fly and BSMB councils, industry and government are now collectively working together on key projects to protect our industries.”

– Marie Dawkins, Chief Executive, Summerfruit NZ

Governance

Statement of purpose

The DGG adopted the GIA statement of purpose in November 2015. The DGG 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, development of biosecurity policy and 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 2016/17 to accommodate GIA's expanding partnership and streamline day-to-day decision making. The new structure was implemented from 1 January 2017 as follows.

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

Sitting alongside this formal structure, parties to multi-sector operational agreements have chosen to set up councils to govern the delivery of their operational agreements. These councils include the Fruit Fly

Council, BMSB Council and Livestock Sector Council (note: not yet under an operational agreement). Over time, we may see closely related councils merge, to streamline costs and align plans and delivery.

Deed Governance Group membership and meetings

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 policies are available on the GIA website.

DGG members elect a chair annually. The current chair is Jen Scoular (New Zealand Avocado Inc).

Members

The DGG members as at 30 June 2018 were:

- Alan Pollard, Chief Executive, New Zealand Apples and Pears (formerly named Pipfruit New Zealand)
- Alasdair MacLeod, Chair, TomatoesNZ*
- Barry O'Neil, Chief Executive, Kiwifruit Vine Health*
- Chris Claridge, Chief Executive Officer, Potatoes New Zealand Inc
- David Rhodes, Chief Executive, New Zealand Forest Owners Association
- Edwin Massey, Biosecurity Manager, New Zealand Winegrowers Inc
- Frances Clement, Policy and Issues Manager, New Zealand Pork Industry Board
- Geoff Gwyn, Director, Readiness and Response Services, MPI – representing MPI (GEC Chair)





GIA Forum Auckland

- Jen Scoular, Chief Executive Officer, New Zealand Avocado Inc (DGG Chair)
- John Seymour, Senior Business Manager, Vegetables New Zealand Inc
- Kimberly Crewther, Executive Director, Dairy Companies Association of New Zealand
- Marie Dawkins, Chief Executive, Summerfruit NZ
- Trish Pearce, Executive Advisor, New Zealand Equine Health Association
- Michael Ahern, Chief Executive, Onions New Zealand Inc
- Richard Palmer, Deputy Chief Executive, Horticulture New Zealand (representing non-signatory horticulture industries)*
- Stephen Ogden, Chief Executive, New Zealand Citrus Growers Inc
- Tim Ritchie, Chief Executive, Meat Industry Association of New Zealand.

*** Changes following year-end include:**

- Stu Hutchings replacing Barry O'Neil as Kiwifruit Vine Health representative
- Helen Barnes replacing Alasdair MacLeod as TomatoesNZ representative
- Leanne Stewart replacing Richard Palmer as Horticulture New Zealand representative.
- Horticulture New Zealand has now signed the Deed and represents the process vegetable sector.

Observers

DGG observers as at 30 June 2018 were:

- Carol Barnao, General Manager, Policy and Advocacy, DairyNZ
- Dave Harrison, General Manager, Policy and Advocacy, Beef + Lamb New Zealand
- Gavin Forrest, General Manager, Policy and Advocacy, Federated Farmers (Chair, Livestock Sector Council).

Meetings

The two DGG meetings this year were held on:

- 18 October 2017
- 19 March 2018.

GIA Executive Committee (GEC)

GEC provides day-to-day governance of and oversees the Secretariat and its work programme on behalf of the DGG (and under its direction).



Jen Scoular – DGG Chair,
New Zealand Avocado Inc



Geoff Gwyn – GEC Chair,
Ministry for Primary Industries



David Rhodes – Chief Executive,
New Zealand Forest Owners
Association



Tim Ritchie – Chief Executive,
Meat Industry Association of
New Zealand

Membership

GEC members elect a chair annually.

Current members are:

- Geoff Gwyn, MPI (GEC Chair)
- Jen Scoular, New Zealand Avocado Inc (DGG Chair)
- David Rhodes, Chief Executive, New Zealand Forest Owners Association
- Tim Ritchie, Chief Executive, Meat Industry Association of New Zealand – joined partway through this year.

Meetings

The nine GEC meetings this financial year were held on:

- 18 July 2017
- 11 August 2017
- 15 September 2017
- 10 October 2017
- 17 December 2017
- 12 February 2018
- 19 March 2018
- 6 April 2018
- 22 May 2018.

GIA Operations Ltd

GIA Operations Ltd is the co-operative company established in 2017 to facilitate the monetary transactions between GIA industry members that occur under operational agreement activities.

The shareholders are New Zealand Equine Health Association, Summerfruit NZ and New Zealand Avocado

Inc, although all industry members of GIA are eligible to become shareholders.

The directors of GIA Operations Ltd are Jen Scoular and David Rhodes.

GIA Secretariat staff serve as officers of the company, which operates under a constitution approved by the DGG.

Thank you, Barry O'Neil

GIA partners would like to acknowledge the huge contribution made by Barry O'Neil, whose primary relationship with GIA ended on 30 June 2018 following his retirement from Kiwifruit Vine Health.

Barry was an important voice in the development of the GIA Deed and the overall design of GIA. With Barry at the helm, Kiwifruit Vine Health became the first industry signatory to the Deed in May 2014, and he brought experience and insight to the DGG as the GIA partnership grew from 2 to 18 members. Barry was pivotal to the development of the first multi-sector operational agreement (the Fruit Fly Operational Agreement, signed in May 2016) and chaired its governing council for the first two years. The council's work on strategy, budget setting and project implementation has set a template for those councils and operational agreements that have followed. Kiwifruit Vine Health also signed the first sector-specific operational agreement in March 2017, and Barry and Kiwifruit Vine Health were leading contributors to the BMSB Council and operational agreement.

Throughout, Barry has been a strong advocate for GIA and an even stronger promoter for biosecurity. Thankfully, Barry is not completely lost to us, because he continues to be active in the sector. We thank Barry for all his efforts on GIA's behalf and wish him well for the future.



Barry O'Neil, Kiwifruit Vine Health, at DGG meeting







Operational agreements

Multi-sector Operational Agreements

Fruit Fly Council

Chair: Stu Hutchings, Kiwifruit Vine Health

Deputy Chair: Marie Dawkins, Summerfruit NZ

The Fruit Fly Council is entering its third year of operation. It reports that New Zealand remains fruit fly free, but increased trade and tourism coupled with climate change continue to increase the risks for New Zealand. Current protections are performing well and the efforts of the council (and its members individually) continue to bolster those protections.

Our understanding of fruit fly risks and mitigations is now higher than that for many other pests and diseases our industries face, and we aim to invest in protections proportionate to the risks.

The Fruit Fly Council has considered 14 projects for joint funding from the Fruit Fly Operational Agreement. Funding decisions are made after an analysis of priority and a cost-benefit analysis.

Highlights in 2017/18 are as follows.

- Three projects continuing from 2016/17 and two identified in 2016/17 were completed and actions taken as a result. These projects covered aspects of surveillance, technical developments (testing and registration of agents), identification of major risks, and response standards. Two of these projects were extended and a follow up to a third is under consideration.
- A significant achievement was the international review of the national surveillance programme, which endorsed the current programme and recommended minor improvements.
- A new project was scoped in 2017/18 to consider the merits of sterile fruit fly release as a biosecurity tool.
- Two additional projects are being scoped, prior to approval decision.

The Fruit Fly Council has put in place appropriate systems for project management and budget disciplines. Project expenditure was within budget, and most projects were delivered on time.

BMSB Council

Chair: Alan Pollard, New Zealand Apples and Pears

Deputy Chair: Edwin Massey, New Zealand Winegrowers Inc

The first year of the BMSB Council's operation has seen foundational elements put in place, including:

- drafting and signing of the BMSB Operational Agreement
- establishment of the council and engagement of administrative and project management support
- development of a five-year strategy to drive its programme

- formation of key relationships with peers and experts internationally (from Australia, the United States and Chile).

Several first-year projects were also undertaken, including:

- exchange visits with Chile to share knowledge and experiences
- work on understanding the biology and behaviour of BMSB in the New Zealand setting
- development of a communications plan and summer and autumn awareness campaigns, with a high-risk summer season campaign designed and implemented, and the future programme work being aligned to wider biosecurity awareness work
- updating response specifications for BMSB in line with best knowledge.

In addition to the above readiness projects, Horticulture New Zealand led the preparation of the Environmental Protection Authority samurai wasp application, recognised by the BMSB Council as a substantial in-kind contribution. As the Fruit Fly Council has done, the BMSB Council also put in place appropriate systems for project management and budget disciplines. Project expenditure was within budget, and most projects were delivered on time.

Mycoplasma bovis Operational Agreement

The detection of *M. bovis* and the launch of a substantial response pre-dated the affected industries becoming members of GIA. The spirit and principles of GIA were adopted in the absence of a governing operational agreement. Consequently, as the response got under way, work was undertaken in parallel to develop a response operational agreement. This presented unique challenges, including the need to convene an independent expert panel to assist with determining intra-industry cost shares. Also in parallel, DairyNZ and Beef + Lamb New Zealand progressed their mandates and applications to join GIA. We expect the Deed and operational agreement will be signed by the parties before the calendar year end 2018.

Single sector operational agreements

By year end, operational agreements were also in place between MPI and each of the following signatories: Kiwifruit Vine Health, Potatoes New Zealand Inc, New Zealand Equine Health Association and New Zealand Forest Owners Association. Under these operational agreements, a range of sector specific biosecurity readiness activities are now under way. We commend all the parties involved for moving to agree on operational agreements and encourage all signatories to continue in this direction.





Financial performance – GIA Secretariat

GIA partners pay their own participation costs in the administration of GIA. At present, MPI meets most of the costs of running the GIA Secretariat, which provides support services to the GIA partnership. This arrangement will continue until 31 December 2019. Therefore, in the coming months, partners will consider the ongoing corporate functions they want and how they will be funded.

Each year, the Secretariat, through the GEC, proposes a budget for the DGG's consideration and endorsement. This amount is then requested from MPI, which determines and provides the funding accordingly. MPI also provides the Secretariat with accommodation and services (represented in the summary of financial performance in Table 2 as the 'below the line' notional expense calculated at 22 percent of personnel costs).

Although it is funded by MPI, the GIA Secretariat is operationally independent. It supports the GIA

partnership and the DGG as specified in section 4.2 of the Deed. The Secretariat was also contracted to provide administrative and project management services to the first two multi-sector operational agreements and their councils on a cost-shared basis. MPI provided up-front funding for the contractors needed to deliver these services, and the Secretariat billed industry members for their portion of the cost. (MPI was not billed, to avoid double charging.) The balance of funds was returned to MPI at the end of the year.

Table 2: Summary of financial performance, 2017/18

Category	Actual 2017/18 \$000	Budget 2017/18 \$000	Variance \$000	Actual 2016/17 \$000
Personnel (including contractors)	577.5	584.3	6.8 F	389.0
Travel and related expenses	17.2	18.1	0.9 F	6.7
Forums and meetings	19.9	75.0	55.1 F*	44.7
Communications, IT and equipment	10.8	6.8	4.0 U	12.0
Office consumables and printing	4.6	10.0	5.6 F	10.4
Legal and financial fees	119.8	120.0	0.2 F	169.8
Total external expenditure	749.8	814.7	64.9 F	632.6
Non-cash: administrative overhead provided by MPI	127.0	128.5	1.5 F	129.1
Total expenditure	876.8	943.2	66.4 F	761.7
Less: income from cost-shared services to operational agreements [#]	(75.0)	(80.0)	5.0 U	0
NET COST OF THE SECRETARIAT	801.8	863.2	61.4 F	761.7

Notes

All figures are GST exclusive.

F = favourable; U = unfavourable

* The Secretariat agreed to co-partner a joint forum with the Ministry of Primary Industries (MPI) for the national biosecurity strategy, Biosecurity 2025. This will take place in 2018/19, when this underspend will be applied.

Industry payments for cost-shared services were collected through GIA Operations Ltd, the industry-owned company set up to manage such transactions. Monies were then refunded to MPI.

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





