

Government Industry Agreements for Biosecurity Readiness and Response: What does it cost?



The GIA Deed has financial implications for industry organisations that sign it. This factsheet outlines the types of costs associated with GIA, and the potential differences for industries that sign the Deed and those that do not.

Costs related to GIA fall into three areas:

1. Industry consultation: Getting the agreement of sector members for the industry organisation to represent the sector and sign the Deed, and submitting an application to the Minister for Primary Industries
2. Deed Commitments: including minimum the commitments in section 3.2 of the GIA Deed, governance processes and attending the Biosecurity Forum
3. Jointly agreed activities: costs related to jointly agreed readiness and response activities. These activities will be negotiated through an Operational Agreement.

Industry consultation costs

An industry organisation must consult with its sector before applying to the Minister to be eligible to sign the Deed. Depending on how the industry organisation chooses to undertake this consultation, it may have a cost associated with it.

For instance, an industry organisation may decide to use a combination of existing engagement methods such as newsletters, field days, annual general meetings, conferences or regional visits by the organisation's Board and executive to raise awareness of the Deed and seek feedback and approval from its members to sign it. Alternatively, it may decide that a formal vote is the best way to get a clear message from its members.

Deed commitments

Signatories to the GIA Deed commit to contributing to the ongoing development and enhancement of New Zealand's biosecurity system.

Readiness and response: what is the difference?

Readiness activities can include surveillance to detect organisms, contingency planning, risk pathway reviews, capacity and capability building, and market access contingency plans.

Response activities include the investigation and identification of suspect risk organisms, control of a risk organism by eradication or long-term management, and learning from response.

Section 3.2 of the GIA Deed outlines the minimum commitments organisations make when they sign it. Many industry organisations undertake a wide range of biosecurity activities and so may already meet the commitments. The costs associated with the minimum commitments in the Deed will depend on the industry organisation's existing activities and spend.

Costs related to governance processes include funding a member of the Deed Governance Group and funding a participant at the two Biosecurity Forums each year.

Guidance and processes for GIA are usually developed through joint industry-government forums such as joint working groups. Industry organisations may choose to take part in these groups. If they do not, they still have the opportunity to influence any decisions when the groups release discussion documents for wider industry comment and through the Biosecurity Forum.

Jointly agreed readiness and response activities

Deed Signatories must meet their share of costs for jointly agreed readiness and response activities. The activities will be agreed through an Operational Agreement. Industry organisations must meet their own costs of negotiating an Operational Agreement.

Industry Signatories will be expected to meet their share of costs for:

- A biosecurity response that it benefits from, up to the level of its fiscal cap, starting from mid-2017. An industry organisation can set a fiscal cap to limit how much it will spend on a response.
- Readiness activities agreed in an Operational Agreement signed with MPI, from mid-2014. The cost of readiness activities will be budgeted and agreed in advance when the agreement is negotiated. This means Deed Signatories choose how much they spend on readiness activities.

An industry organisation can sign the Deed without signing an Operational Agreement. Operational Agreements are not mandatory, although they are the mechanism by which costs and cost-sharing for responses should be agreed. Operational Agreements for responses can be agreed in advance or once a decision has been made to respond to a pest or disease.

How are the costs different for non-signatory sectors?

Under GIA, the parties to an Operational Agreement will identify any non-Signatory sectors that benefit from the activities in the Agreement. MPI will initially pay the costs attributed to the non-Signatory sectors, but it may then recover the costs from them through a levy.

This means a sector may have to pay for readiness and response activities regardless of their status as a Deed Signatory. Importantly, non-Signatories will not have a direct say in the decisions about what readiness and response activities are undertaken, and therefore what costs they may be liable for.

The levy for cost recovery will apply to members of the non-Signatory sector, and not to its representative industry organisation.

The GIA Deed's minimum commitments for industry organisations

The GIA Deed outlines the minimum commitments that Signatories make when signing it. Section 3.2.1 applies to both industry signatories and MPI. Section 3.2.3 applies to industry signatories.

3.2.1 Minimum commitments for all Signatories to achieve Deed outcomes include:

- a. Maintaining access to technical biosecurity capacity and capability.
- b. Maintaining or improving the capacity to recognise and rapidly report the detection of any unwanted organism.
- c. Promoting awareness and use of mechanisms to report changes in New Zealand's biosecurity status.
- d. Establishing and maintaining mechanisms to communicate between Signatories and with relevant stakeholders.
- e. Securing and maintaining sufficient resources to meet their commitments for the administration of this Deed including annual meetings, consultation and decision-making.
- f. Establishing or accessing the necessary capacity and capability to engage in processes to implement this Deed, and any Operational Agreements developed.

3.2.3 Minimum industry Signatory commitments to this Deed and its implementation include:

- a. Being aware of the industry biosecurity risk profile and taking measures to manage the biosecurity risks that industry is best placed to manage.
- b. Communicating with industry membership, including Maori, on biosecurity in general to elicit better biosecurity outcomes.
- c. Working with MPI to integrate industry into response delivery programmes and processes.
- d. Raising awareness of response arrangements described in the MPI response procedures and policies.
- e. Promoting early reporting of unwanted organisms to MPI.
- f. Securing appropriately skilled and committed people to engage in readiness and response activities, including technical and operational experts.
- g. Raising awareness within their membership, of the GIA and the commitments that have been made through this Deed and any Operational Agreement(s).