

Consultation outcome summary: B+LNZ proposal to sign the Government Industry Agreement for Biosecurity Readiness and Response Deed (the GIA)

Introduction

From late October through to early December 2017, B+LNZ sought farmer feedback on our proposal to sign the GIA, how the sector's views would be represented under the GIA and how Beef + Lamb New Zealand's commitments under the GIA would be funded.

Our consultation documents explained how the GIA is an opportunity to increase the national focus on, and understanding of, our sector's biosecurity priorities, leverage our other significant biosecurity investments, increase the return from those investments and limit the sector's potential liabilities.

The consultation process was an opportunity for all farmers to share their views on B+LNZ joining GIA and how we intend to fund any commitments made on behalf of sheep and beef farmers. We wrote directly to farmers registered with B+LNZ providing information about our proposals. This information was also hosted online and we issued regular reminders about the opportunity to make submissions. Our consultation was coordinated with those undertaken by Deer Industry New Zealand and DairyNZ, similarly seeking feedback from deer and dairy farmers on joining GIA.

We did not hold any physical consultation meetings solely for discussing GIA because experience has shown that these are not cost-effective. Rather, we provided contact details and invited the sector to join a teleconference and addressed prearranged meetings with farmers enabling a range of direct and flexible opportunities to engage and discuss the proposals. Our thanks to those who took the opportunity to contact us throughout this process.

Submissions could be made on-line, or through the post-paid questionnaire we included in the consultation mailout to all levy papers.

Consultation outcomes

A total of 260 submissions were received (81 submitted online and a further 179 hardcopy questionnaires returned directly to B+LNZ). ResearchNZ prepared the analysis of the 81 submissions made online and reported that:

- 72 of 81 submitters (89 percent) said they support or strongly support B+LNZ becoming a GIA Signatory.
- 70 of 81 submitters (86 percent) said they were satisfied or very satisfied with how B+LNZ proposes to represent beef and sheepmeat producers' views in the GIA decision-making process.
- 70 of 81 submitters (86 percent) of respondents said they support or strongly support B+LNZ's proposed funding approach.

The responses in the hardcopy questionnaires returned directly to B+LNZ produced similar results, namely:

- 147 of the 176 submitters (83 percent) who answered the question "*Do you support B+LNZ becoming a GIA signatory?*" responded positively (i.e. yes).
- 147 of the 171 submitters (86 percent) who answered the question "*Are you satisfied with how B+LNZ proposes to represent sheepmeat and beef farmers' views in the GIA decision making process?*" responded positively.

- 134 of the 173 submitters (77 percent) who answered the question “Do you support the proposed arrangements for funding B+LNZ’s commitments under the GIA, including the new Sheepmeat and Beef Production Biosecurity Levy?” responded positively.

Whilst not ideal, we are not concerned that only a small proportion of all levy players made submissions. The number of submissions is consistent with the results of other comparable consultation rounds conducted by industry and the public service. For example, the final number of submissions received on the most recent Bovine TB Plan review, from all sectors, was 414, including 175 telephone surveys. Of the 414 submissions received, 147 were from beef farmers.

Over time, we have also received substantial informal feedback indicating relatively high levels of comfort with B+LNZ’s proposed participation in the GIA. We take this and the mostly positive response from submitters to be representative of a largely silent, but supportive majority.

The pie chart below presents a summary of the feedback from submitters who returned hardcopy questionnaires; and the following section outlines how B+LNZ gave due regard to sector views expressed during the consultation process.

Chart: Summary of the feedback from submitters who returned hardcopy questionnaires



B+LNZ consideration of sector views

Based on the consultation outcomes, B+LNZ has concluded that farmers are supportive of joining GIA and we have submitted an application to the Minister for Primary Industries to sign the GIA Deed. In doing so, we have seriously considered all the feedback received, including from submitters who indicated their opposition to the proposals. The following is a summary of our consideration and response to key points raised in opposition to the proposals.

Border biosecurity

Some submitters expressed a view that most biosecurity readiness and response costs are largely due to failings in the integrity of the border. While border biosecurity is a critical component of the biosecurity system, the nature and extent of international trade and travel mean that it is not possible to eliminate all biosecurity risks. It is therefore fair that our industry pays a share of the costs of preparing for and responding to incursions that are relevant to our sector.

Although focused on readiness and response for an actual exotic pest or disease incursion, the GIA also supports engagement across the broader biosecurity system, by giving GIA Signatories increasing visibility of emerging risks and effectiveness of the whole biosecurity system.

Influence and certainty

Some submitters consider that we already have all the influence and certainty we need in dealing with biosecurity readiness and response issues. While it is true that we do participate to varying degrees in planning for and responding to incursions, as was explained in our consultation materials, we believe that signing the GIA Deed will help us better manage our own risks and prevent any loss of influence the sector has on Government biosecurity priorities, which could happen were we to remain outside of the GIA framework.

Costs and cost shares

Some submitters are concerned that if we become a GIA signatory we will incur significant new/additional costs. Others simply express the view that the government, or others, should pay for biosecurity readiness and response costs – or that B+LNZ should simply absorb the costs.

Being part of the GIA will help us deploy our resources in an agreed and cost-effective way, to help minimise the risks posed by the unwanted pests and diseases that are likely to have a significant impact on our industries. GIA minimum commitments align closely with our existing, business as usual approach.

There will be some additional costs, particularly for responses, that will go beyond what B+LNZ could absorb within existing baselines. However, we see value in being a GIA Signatory due to the ability to contract with the Government and others on readiness and response activities through operational agreements – which will allow us to set a limit on our costs by including appropriate fiscal caps or by having the right to decline to participate and share costs where an issue is not seen as a sector priority. If we were to remain outside of GIA, others would decide when sheep and beef farmers were benefiting from biosecurity activities and would determine how much they should pay.

Representation of our members' interests

Some submitters expressed concern about the GIA being just another layer of bureaucracy and committees that add costs and complexity and possibly dilute the ability of B+LNZ to make decisions on behalf of its members.

Although the administration of GIA does require some resources from signatories, we see the GIA as a logical rationalisation and organisation of New Zealand's biosecurity readiness activities and responses. It is also clear from MPI that no alternative to mechanism for achieving this will be implemented.

The B+LNZ Board will continue to be accountable to its members for decisions made by B+LNZ within the GIA.

Funding arrangements

The minority of submissions made in opposition to our GIA funding proposal largely repeated concerns outlined above about border biosecurity and cost-sharing generally (e.g. industry versus public good). While there was some principled opposition to a levy for such reasons, there were very few indications of dissatisfaction with the amount of the proposed levy, or how it would be collected. We are therefore comfortable that the proposed *Biosecurity (Sheepmeat and Beef Producer) Levy* is the most appropriate funding arrangement for our GIA proposals.

Next steps

The B+LNZ Board has approved the submission of the application to sign the GIA on behalf of all New Zealand sheepmeat and beef producers to the Minister for Biosecurity.

If the application is approved, we will request that the responsible Minister direct the Ministry for Primary Industries to:

- initiate the process under the Biosecurity Act 1993 to establish the biosecurity readiness and response levy arrangement proposed by B+LNZ; and
- work with B+LNZ to ensure the timely establishment of the levy arrangement.

All going to plan, the levy process will be completed during the second half of 2018.

We originally proposed that the new levy would be zero-rated (i.e. no levy would be collected) until needed. However, for beef (and not sheepmeat) the recent agreement by the industries to contribute costs towards the ongoing *Mycoplasma. bovis* response means that it is likely to be necessary to begin collecting monies to recover these commitments immediately following the introduction of the levy.