



Tiakiina Aotearoa

Protect New Zealand

A summary of the Government's response to
the Biosecurity Council's biosecurity strategy for New Zealand

August 2003

Summary

The biosecurity strategy concludes that New Zealand's biosecurity system is well developed with many activities in which it excels - from border inspection through to pest management.

It also identifies areas, however, where improvement is required. These include (but are not limited to) a need for clarified roles and accountabilities, better coordination between and within the different levels of Government, and improved prioritisation and decision-making.

Successful implementation of the recommendations made by Government will require a considerable amount of effort, time and resources.

The Ministry of Agriculture and Forestry (MAF) will need to take increased responsibility for the aspects of biosecurity relating to the marine environment, human health and indigenous flora and fauna. MAF will need to undertake a significant development programme to give effect to its new biosecurity mandate.

It is expected the proposed ministerial advisory committee and chief executives' forum will help assess progress. MAF's implementation effort will be closely monitored and the Minister for Biosecurity, The Hon Jim Sutton, intends to take a lead role.

The Deputy Chief Executive of MAF is leading a development programme, and will oversee the establishment of new structures, capabilities and systems designed to support a whole-of-biosecurity focus.

The Government has asked MAF to report to the new chief executives' forum by 30 September 2003, and the ministerial committee by 31 October 2003, on its process and timeline for the intended change programme. The Minister for Biosecurity has undertaken to report on progress with the strategy's implementation to Cabinet on 31 December 2004.

Full implementation of the biosecurity strategy is likely to take up to five years. Work on the high priority recommendations, however, will commence immediately.

Contents

- 1. Introduction _____ 3
- 2. Overview & Cross Cutting Issues _____ 4
- 3. Governance & Structural Arrangements _____ 5
- 4. Improvements to Systems & Capabilities _____ 7
- 5. Funding Sources & Cost Recovery _____ 8

1. Introduction

This document accompanies the release of “Tiakina Aotearoa - Protect New Zealand”, the Biosecurity Council’s strategy for improving New Zealand’s biosecurity system.

In developing its strategy, the Biosecurity Council sought to agree goals, objectives and measurable targets for New Zealand’s biosecurity programmes into the future. The Government has now endorsed this strategy, and agreed it will provide the basis for improvements to the biosecurity system over the next five years.

This document summarises the strategy’s findings and expectations, and sets out the Government’s agreed response and implementation plan. The Government’s response was developed in parallel with the completion of the strategy to ensure implementation was not delayed.

This companion guide draws heavily on the papers that were supplied to Cabinet with the strategy. It summarises agreed recommendations in the following areas:

1. An Overview of the Strategy;
2. Governance and Structural Arrangements;
3. Improvements to Systems and Capabilities; *and*
4. Funding Sources and Cost Recovery.

Copies of these complete Cabinet Papers will be posted on
www.maf.govt.nz/biosecurity-strategy

2. Overview & Cross Cutting Issues

BACKGROUND

The overview Cabinet paper summarises the key findings and expectations of the finalised biosecurity strategy, and outlines the Government's proposed response.

The strategy notes New Zealand is facing an increasingly challenging biosecurity environment. Over recent years, biosecurity risks have evolved and new biosecurity challenges have emerged. Along with these changes, the strategy notes the expansion in the scope of New Zealand's biosecurity programmes; in particular, the increasing recognition of biosecurity's vital importance in protecting the marine environment, indigenous flora and fauna, and human health.

RECOMMENDATIONS

The strategy confirms the findings of earlier reviews that New Zealand's biosecurity system is well developed and performs well. It also identifies steady, ongoing improvement is needed in a number of areas. Its recommendations are provided in the form of ten 'first steps' and a set of 57 'expectations'.

The first ten steps involve specific changes to the biosecurity system. They are to:

1. Make MAF clearly accountable for overall management of the whole biosecurity system, on behalf of all New Zealanders;
2. Put in place the necessary systems, structures and capabilities within MAF to support its role - starting with strong strategic capability;
3. Establish governance mechanisms (including a reconstituted Biosecurity Council and chief executives' forum) to support this strategy's implementation and monitor performance;
4. Encourage all New Zealanders to support and participate in biosecurity through a social marketing programme;
5. Identify ways to involve Maori fully in biosecurity issues and decisions, nationally and locally;
6. Identify, prioritise and review current and emerging risks – from pre-border to pest management and across aquatic and terrestrial environments;
7. Establish national leadership and coordination of pest management;
8. Recognise the contribution of science to biosecurity (strategically and operationally) and fund it properly;
9. Ensure decision-making processes take account of risks to the economy, biodiversity, taonga, human health and lifestyle in setting priorities; *and*
10. Increase funding over the next five years for priority areas, and build organisational capability across the system.

Implementation of the strategy has significant funding implications.

3. Governance & Structural Arrangements

BACKGROUND

Biosecurity contributes to a range of government outcomes, encompassing health, environment, economic and social/cultural. New Zealand's biosecurity responsibilities are shared between central government, regional government and industry groups.

There are four central government biosecurity agencies: Ministry of Agriculture and Forestry (MAF), Department of Conservation (DOC), Ministry of Fisheries (MFish) and Ministry of Health (MoH).

These agencies are collectively responsible to the Minister for Biosecurity for the delivery of national-level biosecurity programmes, and MAF's Biosecurity Authority coordinates their activities. Regional councils and industry groups are variously involved in delivering pest management programmes for their regions and sectors.

THE BIOSECURITY COUNCIL

The development of strategic biosecurity policy is currently coordinated by the Biosecurity Council, which directly advises the Minister for Biosecurity. The Council has an independent chair, and comprises the chief executives of MAF, DOC, MFish, MoH, Ministry of Research Science & Technology (MORST), Te Puni Kokiri (TPK), Ministry for the Environment, and the Environmental Risk Management Authority (ERMA). The other members are the Director of MAF's Biosecurity Authority, and a representative from each of the primary production sectors, environmental organisations and regional councils.

IMPROVING GOVERNANCE ARRANGEMENTS

A comprehensive process involving central government, regional government and non-government stakeholders has been operating for more than two years to find ways of improving the contribution biosecurity makes to New Zealand.

Although New Zealand has one of the world's best biosecurity programmes, this review has found significant weaknesses with the governance arrangements, including poor overall leadership, fragmented accountabilities, inconsistent approaches, and poor inter-agency coordination.

The Government has, therefore, agreed a number of improvements in the area of biosecurity governance in response. These are:

1. Giving the MAF's Chief Executive expanded and end-to-end (pre-border to pest management) responsibility for managing the overall biosecurity system and delivering on government outcomes.

Biosecurity comprises three broad categories of activity: strategic, regulatory, and service delivery. There are strong synergies and a need for close liaison between these functions. The Government has agreed to place responsibility for these functions in a single organisation with a whole-of-biosecurity mandate to assist in clarifying accountabilities, ensuring coherent direction setting, and integrating systems and processes. A key reason for placing biosecurity functions within MAF is that it already has much of New Zealand's biosecurity expertise and infrastructure.

2. Convening a ministerial committee and a chief executives' forum to develop and guide strategic direction, and monitor performance.

The expansion of MAF's biosecurity mandate will be supported by a number of mechanisms, designed to ensure the new arrangements have the best possible opportunity to deliver true 'whole-of-system' biosecurity. The key first steps will be establishing a new ministerial committee for biosecurity, a chief executives' forum, and a new strategic biosecurity function inside MAF.

3. Establishing other mechanisms to support a 'whole-of-system' and fully accountable biosecurity approach (such as a central/regional government forum and the Biosecurity Council operating as a ministerial advisory group).

It will take time to build the structures, capability and systems required, although the new governance mechanisms and the strategic function can be established quickly, so the required funding has been provided. The Government intends MAF's Chief Executive will assume an immediate leadership role for biosecurity.

In the medium term, however, MAF will need to undertake a significant development programme to give effect to its new biosecurity mandate. The Deputy Chief Executive of MAF is leading the development programme, and is planning the new structures, capabilities and systems necessary to support a whole-of-system focus. Accountabilities will not be formally transferred until MAF has developed the necessary new capabilities, and a review of output funding arrangements has been completed.

There may be a case for agencies other than MAF continuing some biosecurity functions so MAF's Chief Executive can delegate responsibilities to another chief executive. Functions will only be delegated on a case-by-case basis, where this would result in a more effective and efficient achievement of the desired outcomes.

4. Improvements to Systems & Capabilities

BACKGROUND

The biosecurity strategy identifies a large number of changes to enhance systems, processes and capabilities, and improve risk management to improve New Zealand's biosecurity performance.

These include:

Risk Management

- Enhancing the management of biosecurity risks posed by imported sea containers;
- Increasing public awareness of biosecurity activities;
- Implementing the findings of the Import Health Standards review;
- Implementing the findings of the surveillance review;
- Developing a national leadership role for pest management functions; *and*
- Developing improved marine biosecurity capability.

Systems and Processes

- Improving performance measurement systems;
- Improving management practices;
- Improving information and data management systems;
- Improving contracting capabilities;
- Developing a Maori responsiveness strategy;
- Improving use of science (research) to help decision-making; *and*
- More widespread use of modelling techniques to determine which pathways and pests pose the greatest risk.

It is intended the new chief executives' forum (see Governance section) will review and prioritise these recommendations, then develop proposals over coming months for Cabinet to consider.

It is anticipated some high priority initiatives will be implemented during 2003/04, others will be included in the 2004/05 Budget round.

5. Funding Sources & Cost Recovery

BACKGROUND

Reviews of the biosecurity system have been critical of the inconsistency in funding and cost recovery, so the Government recommends high-level changes. It has agreed an overarching framework for MAF to use in determining who should pay for the costs of different services.

The Government has directed MAF to use this framework when preparing any bids for future funding, and to review all existing funding arrangements over the next 18 months.

The objective is to ensure greater consistency in funding across the different biosecurity functions, and better alignment with the Government's broader objectives.

An increase in user charges and levies to fund biosecurity services is recommended, alongside considerable levels of tax funding.

CASCADING DECISION RULE

The Government's goals for guiding decisions on biosecurity are to:

- Efficiently minimise biosecurity risk;
- Keep the costs of supply low;
- Ensure ongoing improvements in service delivery;
- Minimise the costs of compliance and administration;
- Ensure fairness;
- Collect the funds required; *and*
- Ensure consistency with New Zealand's international obligations.

The Government has specifically directed biosecurity agencies to adopt the following 'cascading decision rule' when developing recommendations on future funding arrangements:

1. Costs should be recovered from the users of each service, or those whose actions caused the need for the service or function to be provided, where this is practical and cost-effective;
2. Otherwise the funds required should be raised through the imposition of levies on those who benefit from the provision of the service or function, where they are an identifiable individual or class of individuals and where the cost of doing so is reasonable;
3. Otherwise taxpayer funding should be used.

In applying this decision rule, biosecurity agencies should ensure that:

- Funding arrangements are consistent with New Zealand's international obligations;
- The full costs of inspecting, treating, responding to interceptions and clearing goods at the border should in most cases be recovered through a clearance charge on importers;
- The practicality and desirability of recouping the costs associated with clearing passengers at the border should be investigated further;
- There should be an increase in the use of levies (established under the Biosecurity Act) to fund surveillance, incursion response and pest management services, but that a considerable portion of tax funding remain; *and*
- The full cost of accreditation services is met through service charges placed on the individuals or agencies seeking certification.

Considerable further work will be required in defining biosecurity services, proposing a funding source for each service, consulting with affected parties, and preparing any necessary Orders in Council.

It is expected any new charges will not be in place before the 2005/06 financial year.