



**Proposal to sign
the Government
Industry Agreement
(GIA) for Biosecurity
Readiness and
Response**



Working together to protect our future from exotic pests and diseases



**We're seeking your support
for our proposal to join other
primary sector groups in signing
the Government Industry
Agreement for Biosecurity
Readiness and Response
(the GIA).**

This brochure sets out the specifics of Deer Industry New Zealand's (DINZ's) proposal to sign the GIA and how we would:

- represent your views in GIA decision-making
- fund our GIA commitments through the DINZ levy
- have regard to your views expressed in this consultation.

As a GIA Signatory representing you, we would take part in making decisions with the Government and other Signatories about biosecurity priorities, cost-shares and improving the way we prepare for and respond to biosecurity issues. On your behalf, we'd have more influence and more certainty so we can be more prepared to deal with incursions of exotic pests and diseases.

If we proceed with our GIA application, we need to show the Minister for Primary Industries that we have your support. We encourage you to have your say, show your support and join us in working together to protect our future from exotic pests and diseases.

Representatives of the processors for dairy, sheep meat and beef have already signed the GIA. If we do not join GIA, these and other livestock bodies, rather than DINZ, may make decisions on incursion responses that have consequences for the deer industry.

What do we want you to do?

Please read this DINZ brochure and the accompanying Summary Document. You can also view and download a larger, more detailed Discussion Document and other deer industry specific information at www.livestockgia.org.nz

Most importantly, please tell us what you think by making a submission on our proposals. The DINZ Board will be informed of the views expressed by submitters and take them into account in resolving whether to apply to sign the GIA on the deer industry's behalf.

Please go to www.livestockgia.org.nz to make your submission.

If, before submitting your views, you have any questions or would like to discuss this proposal directly, please phone 04 473 4500 or email info@deernz.org.

Key dates

- **31 October** – Consultation opens
- **6 December** – Consultation closes. Submissions must be received by noon.
- **7-21 December** – DINZ Board considers views expressed in submissions and resolves whether to apply to sign GIA.
- **22 December** – If there is clear support for our proposals, this is the date by which we will aim to submit our application to be a GIA Signatory to the Minister for Primary Industries.

More information

The larger Discussion Document (referred to above) and the Summary Document accompanying this brochure were jointly developed with DairyNZ, Beef+Lamb New Zealand and Federated Farmers. The Discussion Document includes additional information on a draft Foot and Mouth Disease Operational Agreement (FMD-OA), minimum commitments under the FMD-OA, how funding shares would be determined and how a FMD or *M. bovis* outbreak could be dealt with under GIA. There is also an appendix with several GIA questions and answers.

To find out more about the GIA Deed and other GIA matters, please visit: www.gia.org.nz

Background

The deer industry's current biosecurity work

DINZ funds its biosecurity activities and investments from the DINZ levies taken on venison and velvet. The GIA is a great opportunity to increase the national focus on, and understanding of, our sector's biosecurity priorities, leverage our large biosecurity investments and increase the return from those investments.

DINZ is already working to ensure that biosecurity programmes to maintain, or enhance, deer industry profitability are underway. We work closely with OSPRI on the TB Plan and the NAIT system and with the Ministry for Primary Industries (MPI – covering pre-border, border and in-country arrangements) to make sure the biosecurity system is fit for purpose for the livestock sector.

Using foot and mouth disease (FMD) as the example, we have focused on getting New Zealand ready to respond to an exotic disease affecting livestock. We also engage closely with MPI and others to make sure there are sound systems in place to keep the deer-specific chronic wasting disease (CWD) out of New Zealand. This includes investing in a CWD surveillance programme.

Much of your existing biosecurity investments will increase the deer industry's resilience to pests and diseases, whether they are exotic or already established in New Zealand. However, exotic pests and diseases need special attention. Many of them have devastating production effects which could undermine our economy. Some have human health implications and some would enable our trading partners to suspend trade in deer products until dealt with.



Deer industry's biosecurity risks and priorities

Chronic Wasting Disease (CWD)

DINZ's top biosecurity priority is CWD. New Zealand's CWD-free status and good biosecurity status generally affords it very good market access for its venison, velvet and deer co-products.

The disease is a fatal neurodegenerative disease of both farmed and wild deer in the transmissible spongiform encephalopathy group of diseases (TSEs). The TSE group of diseases includes bovine spongiform encephalopathy (BSE), scrapie of sheep and goats and Creutzfeldt-Jacob Disease (CJD) of humans. There are both official and consumer-driven concerns about the human health risks that animal TSEs might pose to humans, driven by the deaths of 200 people from CJD linked to consumption of beef from animals infected by BSE. There is however, no evidence that any other TSEs, including CWD, are transmissible to humans.

CWD was first identified in 1967, in mule deer, at a research facility in Colorado, USA. Since then, cases of CWD have been identified in several cervid species including reindeer, white-tailed deer, Rocky Mountain elk, moose, red deer and Sika. CWD spread from the USA to Canada, and from Canada to the Republic of Korea in the early 1990s through the movement of farmed deer. In both the USA and Canada the disease has escaped into wild populations and has spread widely. A small number of CWD cases in reindeer have been observed in Arctic Norway in the last two years and we don't yet know how CWD got there. Countries where CWD is endemic are unable to export deer products.

CWD has a very long incubation period (the period when deer are infected but not displaying symptoms) and non-specific symptoms complicate surveillance, control and disease-free certification efforts. Prions, the disease agents for CWD, are shed in sputum, urine and faeces, even before an infected animal shows clinical symptoms. Prions can be extremely resilient in the environment, binding to soil particles, sinking through the soil column and being taken up by plants. Once bound to clay soil they retain their infectivity for more than a decade.

While bleach is one of very few disinfectants effective against prions, disinfection of the environment is impractical. Therefore, once contaminated, land is effectively contaminated for decades.

In the immediate to short term, the impacts of an outbreak of CWD would be significant. There would be certification and market access issues for all animal exports (based on the change to New Zealand's TSE status). Effects on the deer industry could verge on catastrophic, with a wide flow-on of harmful environmental effects.



**Our top biosecurity
priority is CWD.
Our CWD-free status
affords our products very
good market access.**

In the medium term there would likely be significant increased on-going costs, primarily affecting venison and other deer-product exports and domestic production. This negative impact would be sustained for as long as New Zealand was without its TSE-free status, with consequential flow-on effects to all producers, processors and distributors of deer products. There could also be short-term effects on beef and sheep industries arising from a loss of New Zealand's TSE-free status.

If DINZ were a GIA Signatory, its intention would be to partner with MPI in an Operational Agreement for CWD, so that:

- New Zealand's state of CWD readiness could be systematically reviewed and, if necessary, improved by MPI and the deer industry working together
- we increase confidence that MPI would respond to a CWD incursion as a priority
- strategic options for a response are understood and agreed in advance
- DINZ would have a decision-making role in the strategic direction, scope and duration of a response.

Foot and mouth disease (FMD)

DINZ is also concerned about the deer industry's vulnerability to FMD. The Discussion Document at www.livestockgia.org.nz sets out more information about FMD and how it could be dealt with under GIA. DINZ would seek to enter into an Operational Agreement for FMD along with other livestock sector bodies and MPI. Negotiations to establish an FMD Operational Agreement between the livestock sector and MPI are already nearly complete.

Pasture pests and diseases

Plant pests and diseases that affect the pastures on which deer are raised may also enter New Zealand. A disease affecting pasture growth could have a devastating effect on deer production. If DINZ were to sign the GIA, DINZ may consider making an Operational Agreement with other GIA signatories to set out arrangements for readiness and response to pasture pest or disease incursions.



Proposals

Proposal for DINZ to become a GIA Signatory

For the reasons outlined in the Summary Document that accompanied this brochure, we propose that DINZ signs the GIA. This brochure sets out some further DINZ-specific detail about our representation and funding arrangements, if we were to become a GIA Signatory. Further information on why DINZ meets the legal test to become a signatory is available at www.livestockgia.org.nz.

Proposal for sector representation in GIA decision-making

The DINZ Board would appoint representatives to the GIA Deed Governance Group and the Livestock Sector Council (LSC). This could be the same person or different persons. The Board would delegate to its representatives an appropriate suite of decision-making powers to enable them to act and make GIA commitments on behalf of the Board and the deer industry. We imagine that the representative would likely be the DINZ Chief Executive or Chair or someone else with a close understanding of the industry such as a Senior Executive or Board member.

The representative would consult the Board Chair, Board members and others to ensure that their actions and the commitments made are consistent with the deer industry's interests and capabilities. Farmers and processors would be consulted about proposed Operational Agreements and their likely resource implications through our normal information and communication channels, although note that we would enter into the FMD-OA without further consultation soon after signing the GIA if you were to support us. If a disease outbreak affecting the deer industry struck before it was covered by an Operational Agreement, the DINZ Board would appoint a representative to negotiate the terms of an Operational Agreement and enter into it on DINZ's behalf under urgency.

When there is a response covered by an Operational Agreement, the DINZ Board would appoint a suitably qualified and skilled representative to act on the Response Governance Group. That representative will be delegated the powers they need to make commitments on behalf of DINZ – subject to seeking Board input on certain matters and providing the Board regular progress reports.

In a disease outbreak the DINZ Board would appoint a suitably qualified and skilled representative to make commitments on behalf of DINZ.

Proposal for funding of DINZ’s GIA commitments

Before we can sign the GIA, we must say how we would fund any commitments applying to DINZ under the GIA. Please review the Discussion Document for information on how cost-shares between government and industry and between industry sectors will be determined for GIA Operational Agreements.

Minimum commitments and readiness

DINZ believes it can meet GIA minimum commitments by using existing resources, funded by the DINZ levy. Some minimum commitments will involve DINZ encouraging producers and processors to do certain things, such as developing biosecurity plans. These costs will need to be borne by deer farms and processors directly.

We also consider that DINZ levy income should be used to fund our share of readiness costs – which only arise after DINZ signs an Operational Agreement. DINZ can determine what readiness activities it is involved in under each Operational Agreement. Therefore, we would only undertake what is beneficial to the deer industry and affordable from existing DINZ levy income.

Our modelling tells us that the deer industry could face the following costs for minimum GIA commitments and readiness over the next four years:

	\$			
	FY18	FY19	FY20	FY21
Minimum commitments	73,500	7,000	7,000	7,000
Readiness	9,600	12,800	17,600	61,500
Total	83,100	29,800	34,600	78,500

The sorts of activities this spending would cover would include-

- the production of on-farm biosecurity plan templates
- supporting the uptake of those plans
- increasing awareness of exotic pest risks and what to do about them
- working with experts to devise response strategies for exotic pests; and
- preparing and participating in biosecurity exercises to test response plans.

Spending would be highest in the first year, when we would be devising mechanisms to make sure we are performing our minimum commitments and possibly contributing to some FMD readiness activities. Outgoings could fall for a couple of years when adopting some of that work becomes ‘business-as-usual’, then spending could increase were we to sign additional Operational Agreements and commit to readiness activities.



**DINZ can meet GIA
minimum commitments
and readiness activities
using existing resources,
funded by DINZ levies.**

Response costs

We propose to use DINZ reserves, or an increase in the DINZ levy, to fund our share of any response costs. Further information on the DNZ levy is available at www.livestockgia.org.nz

Our share of responses affecting all the livestock sector might be met from reserves and some changes to our operating budgets. A useful mechanism that gives the deer industry certainty on the upper amount of its response costs is an Operational Agreement Party's ability to agree in advance with other Parties a limit on the amount of its financial contribution, referred to as its 'fiscal cap'.

We already know that our contribution to a FMD response, if we join GIA and sign the FMD-OA Operational Agreement, will be capped at \$200,000. The DINZ could choose to fund this liability from existing revenue. The Board would take into account a range of deer-industry specific information when determining appropriate for a response to other exotic pests.

If there is a significant response affecting only the deer industry, such as a CWD response, DINZ would need to fund all the industry portion of response costs. In that case, even though DINZ would still specify a fiscal cap, DINZ's liability is likely to be higher than could be prudently funded from reserves. The most that industry would pay is 50% of any response costs; Government pays the balance.

Our modelling tells us that DINZ's share of response costs in a 'medium severity' CWD incursion (being 8-50 infected properties), could range from anywhere from \$2 million up to \$35 million. In these cases, we would need to increase the DINZ levy. A decision on increasing the levy would be a decision taken by the Board once the scale of the incursion is known. By that stage, the cap on DINZ's pre-agreed cost share would also have been set.



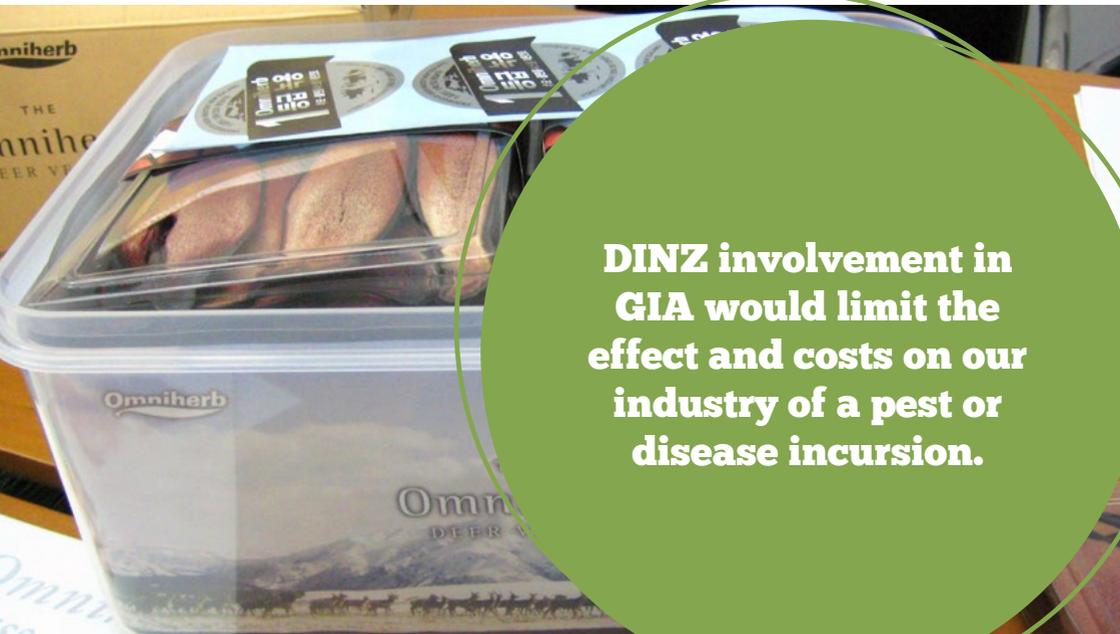
We propose to use DINZ reserves, or an increase in the DINZ levy, to fund our share of any response costs.

In determining the amount of any DINZ levy increase to cover significant response costs, the Board would consider at least the following factors:

- fair weighting between venison and velvet products
- actual and forecast production of velvet and venison
- farm gate values of venison and velvet
- export values of venison and velvet
- an appropriate repayment period
- deer farm, venison processor and velvet processor profitability
- potential to incentivise industry participants to leave
- potential to disincentivise new entrants to industry
- amount of other levies applied to venison and velvet
- number of industry participants on whom burden would fall.

DINZ would undertake consultation with deer farmers and processors of deer products in the same way that it consults on levy changes at other times. The adjusted DINZ levy rate would be published and advised through the same channels as used currently.

The increased levy would be collected through the same mechanisms as used currently, so no additional paperwork or accounting arrangements would be required by venison and velvet processors who currently collect levy on behalf of DINZ. DINZ would be responsible for paying the DINZ share of response costs to MPI, so it would maintain accounts and carry out payment transactions.



DINZ involvement in GIA would limit the effect and costs on our industry of a pest or disease incursion.

**For further information
phone us on 04 473 4500
or email us at info@deernz.org**

**Answer our consultation questions
at www.livestockgia.org.nz
by noon on 6 December 2017**



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