

Fruit Fly Operational Agreement Summary

Date: May 2016

Introduction:

In December 2013 the GIA Deed, developed by a working group of industry and MPI representatives, was approved by Cabinet. This signalled the commencement of the formal biosecurity partnership approach between industry and MPI to prepare for and manage new pests and diseases that might arrive in New Zealand. The GIA Deed is a legal document which includes the following key operational partnership components:

- Closer engagement between MPI and industry on improving biosecurity systems.
- Shared decision making on activities to prepare for and respond to pest/disease incursions.
- Sharing the costs of these activities between Government and Industry.

An Operational Agreement (OA) is the document that outlines what readiness and response activities will be undertaken and how they will be funded.

Since February 2014, an interim Fruit Fly Council has been developing and negotiating a Fruit Fly Operational Agreement. Members of the interim Fruit Fly Council (IFFC) were of a mix of Deed Signatories and Non-Signatory Beneficiaries as follows:

- Philip Manson, New Zealand Winegrowers (Chair of IFFC) representing the grape grower and wine production sectors.
- Alan Pollard, Pipfruit NZ representing the Pipfruit and Nashi/Asian Pear sectors.
- Barry O'Neil, Kiwifruit Vine Health representing the kiwifruit and kiwiberry sectors.
- Jen Scoular, New Zealand Avocado Growers' Association Inc. representing the fresh avocado grower sector.
- Stephen Ogden, and previously Nikki Johnson, New Zealand Citrus Growers' Inc. representing fresh citrus grower sector.
- Marie Dawkins, Summerfruit NZ representing Summerfruit sector consisting of apricot, cherry, nectarine, peach and plum growers.
- Gisele Irvine, Market Access Solutionz Ltd, representing Vegetables New Zealand, Strawberry Growers New Zealand, Tomatoes New Zealand, and the New Zealand Buttercup Squash Council.
- Richard Palmer, Horticulture NZ, representing Blackcurrants, Blueberries, Boysenberry, Feijoa, Kiwiberry, Persimmon, and Tamarillo industry groups.
- David Talbot, Geoff Gwyn, Veronica Herrera and others representing MPI.

The Fruit Fly Operational Agreement negotiation has concluded and the document has been signed.

Summary of Fruit Fly Operational Agreement clauses

Parties	<p>The Parties who have signed the OA are the following Signatories: Pipfruit NZ, Kiwifruit Vine Health Inc., New Zealand Avocado Growers Association Inc., New Zealand Citrus Growers Inc., and the Ministry for Primary Industries.</p> <p>New parties can sign the OA after signing the GIA Deed and will then have the opportunity for input into readiness activities and will have decision making rights during a response.</p>
Term	<p>The initial term of the Fruit Fly OA is three years with an automatic two year renewal, and it will come into full effect in 2017, subject to a number of transitional provisions..</p>

Transitional arrangement	Parties may make contributions towards fruit fly readiness activities until the OA comes into full effect.
Introduction	<ul style="list-style-type: none"> • This OA covers specific biosecurity readiness and response activities for four species of fruit fly – Queensland, Mediterranean, Oriental, and Melon fruit fly. • The object is to formalise the government and industry partnership for the effective management of fruit fly risks, joint decision-making and cost-sharing. • The outcome sought from this OA is that Signatories work together, from a basis of shared understanding, to reduce the impacts of fruit fly.
Governance	<ul style="list-style-type: none"> • Governance is by a Fruit Fly Council (FFC) made up of one Designated Decision Maker from each Party. Representatives from other industry groups may be invited to attend Governance meetings as observers until such time they sign the OA.
Readiness	<ul style="list-style-type: none"> • Existing fruit fly readiness and response arrangements will continue unless varied. • The FFC will establish and implement additional readiness activities to seek improvements in current readiness activities and response arrangements. • A Party may, in good faith, withdraw from a readiness activity and will forfeit decision making rights. Withdrawal from a readiness activity does not automatically mean withdrawal from the OA.
Response	<ul style="list-style-type: none"> • Pre-agreed response contingency strategies or plans will be used to guide the development of the response plans used during a biosecurity response. • Absent decision-makers during a response may appoint a proxy. If neither are present they will abide by the decisions of the Response Governance group meeting. • A Party may, in good faith, withdraw from a response and will forfeit decision making rights. Withdrawal from a response does not automatically mean withdrawal from the OA. • Any response will be delivered under a National Biosecurity Response System (NBRS) managed by MPI.
Cost sharing	<ul style="list-style-type: none"> • Cost sharing for fruit fly readiness and response activities commences when the OA comes into full effect. • The costs will be shared by the Government and industry as follows: <ul style="list-style-type: none"> ○ 70% Govt:30% Industry for readiness (annual cost) ○ 70% Govt:30% Industry for a Level 1 response ○ 80% Govt:20% Industry for a Level 2 response ○ 90% Govt:10% Industry for a Level 3 response • The Government will pay the first 20% of costs on behalf of risk exacerbators • Industry cost shares will be shared based on industry value (first point of sale averaged over 4 years), which will be updated annually. • Contributions can also be made to readiness and response activities in the form of in-kind contributions. • Current annual readiness costs are approximately \$1.85M. The share across all industries is 30% of \$1.48m (\$1.85M minus 20% risk exacerbator cost) per year. • Response costs are limited by a fiscal cap. • Costs associated with readiness will occur every year, but costs for responses will occur only when fruit fly is detected in New Zealand.

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- Non-Signatory Beneficiaries
- MPI will seek to cost recover from Non-Signatory Beneficiaries identified in the Operational Agreement when a cost recovery mechanism has been implemented, and where it is cost effective to do so. The Non-Signatory Beneficiaries identified in the OA include:
 - Tomatoes (consisting of commercial fresh Tomato growers)
 - Summerfruit (consisting of commercial Apricot, cherry, Nectarine, Peach and Plum growers)
 - Buttercup Squash (consisting of Buttercup squash growers)
 - Capsicum and Chillies (consisting of commercial Capsicum and Chilli growers)
 - Cucumbers (consisting of commercial Cucumber growers)
 - Melons (consisting of commercial Melon growers)
 - Eggplant (consisting of commercial Eggplant growers)
 - Cucurbita other (consisting of commercial Pumpkin, Zucchini, Chokos growers)
 - Blueberries (consisting of blueberry growers)
 - Persimmons (consisting of commercial Persimmon growers)
 - Boysenberry (consisting of commercial Boysenberry growers)
 - Feijoa (consisting of commercial Feijoa growers)
 - Kiwiberries (consisting of commercial Kiwiberry growers)
 - Passionfruit (consisting of commercial Passionfruit growers)
 - Nashi (consisting of commercial nashi pear growers)
 - Tamarillo (consisting of commercial Tamarillo growers)
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