



## Response to submissions on proposal to increase the American foulbrood apiary and beekeeper levy

In July 2018 the Management Agency consulted with beekeepers about our proposal to increase the American foulbrood apiary and beekeeper levy.

We received 908 submissions and would like to thank respondents for their feedback on the future of funding American foulbrood elimination in New Zealand.

### Summary of key changes to proposal to increase the American foulbrood levy

Having considered the feedback received the Management Agency Board has decided to change the proposal to increase the American foulbrood levy. These changes will be consulted on in March 2019. The key changes proposed are outlined below:

#### The existing apiary and beekeeper levy to be replaced with a hive and beekeeper levy

The majority of respondents considered that the Management Agency should not continue to use apiaries as a basis for calculating the levy. These respondents proposed that the apiary levy should be replaced with a hive levy. They considered that the proposed levy structure was unfair to beekeepers with low hive concentration, hive rental companies, and urban beekeepers working within local council laws regarding apiary size. Many respondents also considered that the proposed levy structure would be a disincentive to registration of hives and apiaries and would incentivise high hive concentration with a higher disease risk.

Having considered this feedback the Management Agency Board has decided that replacing the apiary levy with a hive levy will result in a fairer distribution of national pest management plan costs. Replacing the apiary levy with a hive levy will also reduce the financial incentive for beekeepers not to register apiary sites or to establish apiaries with a high concentration of hives.

#### Management Agency to establish a dedicated team focused solely on the elimination of American foulbrood

Many respondents expressed a lack of confidence in the Management Agency and cited instances where the Management Agency had failed to respond to issues or take effective action to address serious cases of non-compliance that were creating disease risks for neighbouring beekeeper's apiaries.

The Management Agency Board recognised in June 2016 that the operational plan that had been in place for many years was no longer suitable for an industry that was experiencing massive growth in beekeeper numbers and hives. This initiated the development and roll out of a 5-year strategy to eliminate American foulbrood, employed two full time professional managers with extensive experience in biosecurity incursion investigation and response and American foulbrood elimination, and transferred the management of Authorised Persons Level 2 (AP2s) fromASUREQuality to the Management Agency. With the support of the Apiculture New Zealand Board, these changes have enabled the Management Agency to develop the capability to take enforcement action to address serious non-compliance with national pest management plan rules.

From 1 November 2018, non-compliant beekeepers identified as causing serious and ongoing disease risks to neighbouring beekeeper's apiaries can expect that the Management Agency



will act on their failure to comply with national pest management plan rules and that they will be liable for the costs and expenses incurred.

The Management Agency Board has considered respondents feedback and determined that changes to the compliance business model are required. This has resulted in the decision to phase out the outsourcing of operations from AsureQuality Ltd and the establishment of a dedicated in-house team focused on eliminating AFB. This will prevent conflicting demands from export certification and auditing risk management premises from interfering with staff focus on the American Foulbrood Pest Management Plan.

The establishment of a dedicated in-house team in the place of the current contract is expected to provide cost savings that will enable the Management Agency to propose a smaller increase in the levy than was originally proposed in July 2018.

### **Feedback themes and Management Agency response**

The full analysis of beekeeper submissions can be found in the Consultation Findings Final Report. A brief description of each theme and the Management Agency's response is presented as follows.

#### **1. Beekeepers are the key to eliminating disease, not the agency.**

Respondents frequently cited beekeepers as lead players in eliminating disease, quite independently of the Agency. Many respondents noted the contribution of responsible beekeepers in managing the disease and actively supporting and advising the beekeeping community.

*The Management Agency agrees that beekeepers have the primary responsibility for eliminating AFB from managed colonies. Under the Biosecurity (National American Foulbrood Pest Management Plan) Order 1998 beekeepers are responsible for the key activities required to eliminate American foulbrood, namely:*

- *Registering apiaries*
- *Inspecting hives to identify AFB*
- *Notifying cases of AFB, and*
- *Destroying all honey bees, bee products and appliances associated with AFB.*

*The Management Agency has no plans to change beekeepers' obligations under the pest management plan.*

*The increase in funding proposed in July 2018 was to enable the Management Agency to meet its obligations specified by the Biosecurity (National American Foulbrood Pest Management Plan) Order 1998, namely:*

- *Keeping a register of apiaries*
- *Monitoring AFB disease levels*
- *Auditing beekeeper's compliance with their obligations*
- *Auditing the accuracy of statements regarding AFB made in documents submitted to the Management Agency by beekeepers.*

*The current levy does not provide the Management Agency with sufficient funding to meet its National Pest Management Plan obligations to monitor the level of clinical AFB in beehives owned by beekeepers holding a Certificate of Exemption (DECA) or audit beekeepers compliance with their obligations.*

## **2. Non-compliant beekeepers create the biggest risk for AFB spread**

Respondents stated that non-compliant beekeepers presented a big risk for spreading AFB, and it was unfair that compliant beekeepers were expected to shoulder the cost and the consequences.

*The Management Agency agrees that non-compliant beekeepers present a big risk of spreading AFB and that non-compliant beekeepers should incur the costs of defaulting on their obligations under the National American Foulbrood Pest Management Plan.*

*The Management Agency has recently developed the capability to take enforcement action to address serious non-compliance with National American Foulbrood Pest Management Plan rules as a result of the Board's decision to employ a National Compliance Manager and National Operations Manager and transfer the management of AP2s from AsureQuality to the Management Agency.*

*From 1 November 2018, non-compliant beekeepers identified as causing serious and ongoing risks for AFB spread can expect that the Management Agency will take action including inspection and destruction of beehives and recovering the costs of doing so under section 128 of the Biosecurity Act 1993.*

*However, the Management Agency's capacity to conduct inspections and audits to identify non-compliant beekeepers is dependent on the level of funding provided by the levy. The Biosecurity Act 1993 does not provide any legal mechanisms to recover the costs of inspections or audits unless the beekeeper is in default of an inspection requirement, e.g. Certificate of Inspection.*

*The current levy provides funding to inspect 2% of apiaries and test 100 honey samples per year. This level of funding is only sufficient to identify a small proportion of the non-compliant beekeepers that create a risk of AFB spread.*

## **3. Proposed cost creates financial stress and may be a barrier to beekeeping**

Many respondents considered the proposed levy cost was too high and would make it more difficult to enter, or continue, beekeeping.

*The Management Agency considers that the cost of levy should be assessed against the cost of American foulbrood to beekeepers. The Management Agency estimated that the proposal would save an additional 41,000 hives and associated products valued at \$50 million from destruction over a ten-year period. The cost of the proposed levy increase is \$20 million over ten years.*

*The costings in the July 2018 levy proposal were based upon the assumption that the Management Agency would continue to outsource operations. The Management Agency will now address the cost efficiencies associated with bringing operations in house.*

## **4. Proposed levy structure is unfair and benefits some groups more than other groups**

Many respondents considered the proposed levy structure was unfair to some groups of beekeepers and that a higher levy should apply to commercial operators.

*The Management Agency has considered this feedback and decided that replacing the proposed beekeeper and apiary levy with a beekeeper and hive will result in a fairer allocation of national pest management plan costs. The Management Agency will consult on proposed rates for a beekeeper and hive levy in March 2019.*

## 5. Proposed levy cost and structure incentivises bad beekeeping practice

Many respondents considered that both the increased cost and/or the levy structure would lead to non-registration, poor practice, and promote disease.

*The Management Agency has considered this feedback and decided that replacing the proposed beekeeper and apiary levy with a beekeeper and hive levy will reduce the economic incentives for beekeepers to establish large apiaries and/or avoid registering apiaries. The Management Agency will consult on proposed rates for the beekeeper and hive levy in March 2019.*

## 6. The plan won't work or isn't needed

Some respondents considered the proposed plan won't work, and/or the current monitoring, surveillance, research and educational programmes are sufficient. Some also thought that AFB has a minimal impact on the beekeeping industry so there is no need to increase the amount of work done by the agency.

*The Management Agency does not agree with submissions stating that the plan described in the levy proposal won't work or isn't needed. American foulbrood has worldwide recognition as a serious disease of honey bees that causes significant economic losses and has caused significant decreases in honey bee populations.*

*Under the National Pest Management Plan beekeepers are responsible for eliminating AFB. If all beekeepers had met their obligations for the last 20 years - dramatic reductions in the levels of AFB would have been achieved. However, too many beekeepers have failed to meet their obligations and they have been allowed to continue spreading AFB as the Management Agency has not had the resource to conduct sufficient audits and inspections to detect non-compliant beekeepers or undertaken sufficient compliance and enforcement actions.*

*The Management Agency has recently developed the capability to take enforcement action to address serious non-compliance with National American Foulbrood Pest Management Plan rules, and enhanced its ability to conduct inspections as a result of the Management Agency Board's decision to employ a National Compliance Manager and National Operations Manager and transfer the management of AP2s from AsureQuality to the Management Agency.*

*Additional levy funding is required to provide the Management Agency sufficient resources to act as a deterrent to beekeepers that would prefer not to comply with National Pest Management Plan rules.*

## 7. Lack of confidence in the Agency

Many respondents expressed lack of confidence in the Management Agency, with comments focussing around their use of money, their effectiveness, and their tools and training.

*The Management Agency Board recognised in June 2016 that the operational plan that had been in place for many years was no longer suitable for an industry that was experiencing massive growth in beekeeper numbers and hives. This initiated the development and roll out of a 5-year strategy to eliminate American foulbrood, employed two full time professional managers with extensive experience in biosecurity incursion investigation and response and American foulbrood elimination, and transferred the management of AP2s from AsureQuality to the Management Agency. With the support of the Apiculture New Zealand Board, these changes have enabled the Management Agency to develop the capability to*

*take enforcement action to address serious non-compliance with national pest management plan rules.*