

AFB PMP Management Agency Board Meeting Minutes

Date: 14 February 2020

Location: Board Room, ApiNZ Offices, Level 4, 187 Featherston Street, Wellington

ATTENDANCE

Present

Mr John Hartnell	(Chairman)
Mr Jason Ward	
Ms Kim Poynter	
Mt Russell Marsh	
Mr Gabriel Torres	
Hayley Pragert	
Val Graham	
John Walsh	(Ministry for Primary Industries)
Mr Clifton King	(National Compliance Manager)

Guests

Mr Byron Taylor	AsureQuality (item 7)
Mr Ian Govey	Ministry for Primary Industries (items 3, 4 & 5)
Mr Mike Harre	Ministry for Primary Industries (items 3,4, 5 & 6)
Mr Marco Gonzalez	Management Agency (item 7)

1. Meeting opening

1.1. Chairman's welcome

John Hartnell welcomed everyone to the meeting. Val was introduced to the Board.

1.2. Apologies

John Walsh is an apology for the morning sessions.

1.3. Director conflict of interest disclosures

Val will provide Clifton with a list of her interests for the register.

1.4. Previous Minutes

1.4.1. Confirmation

The draft November Board meeting minutes were approved subject to the following changes:

- John Walsh clarified via email that it had been MPI policy for some time for MPI staff not to be on the boards of organisations that MPI was responsible for monitoring.
- Adding the names of the policies referred to in addition to their reference number.

- Rewording the indicative budget for the NBHS to clarify that this is the indicative amount to spend on the development and operation of the system.

1.4.2. Action list

Clifton advised the Board on action list progress. Key discussion/action points are as follows:

- Byron to update Clifton on the COI status of large beekeepers without a DECA next week.
- Clifton to clarify the referral of offenses to MPI with MPI and subsequently develop a policy.

2. National Compliance Managers Report

Clifton presented the National Compliance Managers report. He advised that the Management Agency had received good quality responses to its ROI and that 5 vendors had been shortlisted.

3. American Foulbrood Levy Amendment Update

Ian briefed the Board on progress to amend the levy order. He advised the Board that Cabinet were scheduled to approve the levy order on 9 March and the levy order would therefore come into force on 6 April 2020. A draft copy of the levy order was expected to be available for review next week.

4. Hive and Beekeeper Levy: Communications and Implementation Plan

The Board reviewed the communications and implementation plan for the new levy order. The Board noted that the following messages should be communicated in addition to those described in the communications plan:

- Communicate how levies were proposed to be spent
- Communicate the maximum rate of levy in addition to the levy for the 2020/21 levy year
- Communicate that the Management Agency would consult with beekeepers over proposed changes to levy rates in subsequent years
- Emphasise that the levy order has not been amended since 2003
- Emphasise the benefits of increasing the levy
 - Emphasise that levy funding supports the reduction of AFB
- Remind beekeepers of the levy consultation undertaken in 2018 and 2019 (including clarification that the AFB levy is different from the proposed commodity levy)
- Ensure that the levy rates inclusive of GST are described in brackets

The Board reviewed the summary of key changes to the levy order and decided that changes were required to beekeeper record keeping requirements:

- Beekeepers should not be required to keep pollination contracts or hive rental agreements as many beekeepers do not produce these documents as part of their normal business practice, and

- That all harvest declaration records should be kept, not just harvest declarations for bee products intended for export
- MPI to advise on the appropriate time frame for keeping records.

The Board reviewed the communication plan timeframes and agreed that the communications prior Cabinet approval of the levy order should focus on the requirement for beekeepers to update their apiary and hive records in anticipation generating levy invoices. Delivery of the balance of the communications messages should be initiated after Cabinet has approved the levy order.

The Board reviewed the key risks and decided that:

- Hiring /contracting additional staff over the peak of levy invoice enquiries should be investigated
- An additional Q&A addressing concerns beekeepers may raise about the increase in levy is required. This should note that the levy has not been increased to the maximum rate.

The Board:

1. Agreed the proposed key changes to be included in the levy order subject to removal of pollination contracts and hive rental agreements from the recording requirements.
2. Noted that the proposed new levy collection processes are based on the existing levy collection process
3. Agreed that the Management Agency will monitor beekeeper hive records over time to detect potentially fraudulent hive declarations and entries into ApiWeb, and initiate follow-up investigations as appropriate.
4. Agreed the key messages subject to the changes noted above.
5. Agreed the communications and implementation approach.

5. 2020/21 Budget and Rate of Levy

Clifton presented the proposed budget and rate of levy for 2020/21. He advised that the proposed levy rate of \$40 per beekeeper and \$1.35 per hive is the same as what was proposed for 2020/21 in the March 2019 consultation.

The Board noted that the projected levy revenue was \$460,000 higher than the 2019/20 budget and enquired what levy payers would be receiving for the additional levy. Clifton advised that the Monitoring and Auditing and Compliance and Enforcement budget was increasing from \$201,000 in 2019/20 to \$623,000 in 2020/21, and that this increase was necessary to enable the Management Agency to monitor beekeeper compliance with pest management plan rules and undertake enforcement where appropriate.

Clifton also advised that an additional \$195,000 had been budgeted for the National Bee Health System in 2020/21. This would enable longstanding beekeeper issues with ApiWeb to be resolved, make it much easier for beekeepers to comply with pest management plan rules, and reduce the amount of manual effort currently required by Management Agency staff and contractors to operate and administer the plan.

The Board discussed the uncertainties in the revenue budget associated with transitioning from an apiary to a hive levy and making greater use of the Management Agency's ability to cost recover compliance and enforcement work. The Board agreed that setting the levy at \$40 per

beekeeper and \$1.35 per hive reflected an appropriate balance between the requirements to fund the replacement of ApiWeb and greater monitoring and enforcement of the pest management plan, with the additional levy costs imposed on beekeepers.

The Board questioned why there was no Health and Safety budget proposed for 2020/21. Clifton advised that the \$4,000 Health and Safety budget for 2019/20 was a carryover of previous accounting practices and that Health and Safety was a staff responsibility. Therefore, there was not a requirement for a Health and Safety budget (in addition to Salaries and Remuneration) as staff not external contractors would be responsible for making improvements to health and safety systems. The Board considered that it was important to make provision for an external contractor to improve health and safety systems and directed Clifton to include this in the 2020/21 budget.

The Board:

1. Agreed the proposed budget to 2020/21 subject to the inclusion of a \$4,000 health and safety budget
2. Agreed to fix the 2020/21 levy year actual rate of levy at \$40 (+gst) per beekeeper and \$1.35 (+gst) per hive and notify the rate of levy:
 - a. On the Management Agency website
 - b. By email to all beekeepers with valid email addresses and post to those without email addresses, and
 - c. By other means as may be specified in the levy order.

6. Transition Plan

Clifton briefed the Board on plans to close down the contract with AsureQuality and transition their work to the in-house Management Agency team, including staff recruitment, establishing a Christchurch office, and upgrading the phone systems. Clifton advised the Board that an extension to the contract with AsureQuality was also required to enable continued access to the Apiary Database until the new National Bee Health System was ready.

The Board:

1. Agreed the proposed approach to staff recruitment, including the job descriptions
2. Agreed the Management Agency should establish a Christchurch office and the proposed approach to establishing the office
3. Agreed the proposed changes to the Management Agency telephone system
4. Agreed the requirements for the proposed contract extension with AsureQuality
5. Noted the key risks and agreed the proposed risk mitigations.

7. Operations Reports

7.1. Operations Manager Report

Marco presented the Operations Manager Report to the Board.

7.2. AQ Bimonthly Report

Byron presented the AQ Bimonthly report to the Board.

8. Matters for Discussion

8.1. Management Agency Response to MPI 2018 Audit

Clifton briefed the Board on the one non-compliance and four recommendations included in the audit report and the recommended approach to responding to each.

The Board:

1. Noted that Non-compliance 1 has already been addressed by publication of 2018/19 Annual Report including providing a copy to the Minister.
2. Noted that Recommendation 1 has already been addressed by the 2019 AGM report and the publication of the 2018/19 Annual Report
3. Agreed that the Management Agency should work with MPI Food Safety to achieve a common understanding the opportunities to strengthen official assurances for honey bee products
 - a. Agreed that subsequent to this understanding MPI Food Safety should be included in the Operating Protocol with MPI
4. Agreed that the Management Agency should facilitate product verifier access to the National Bee Health System
5. Agreed that the Management Agency should delay implementing a communications strategy highlighting the need to improve apiary registration until after the National Bee Health System has gone live and the Management Agency has employed a second Operations Manager.

8.2. Health and Safety Report

Clifton presented the Health and Safety Report. No incidents or near misses were reported for the period.

8.3. 2019/20 YTD Finance Report

Clifton presented the YTD Finance report to the Board. The forecast operating loss of \$59,602 is down from the \$79,014 operating loss forecast at the November meeting.

8.4. Training Report

Clifton presented the Training report to the Board and highlighted that the training courses for 2020 had been confirmed.

The Board requested that Clubs were advised of the opportunity to run additional courses.

8.5. Complaints Report

Clifton presented the Complaints Report which was noted by the Board.

9. Board member only section

10. Matters for noting

Jason updated the Board on the AFB Detector Dog project

11. Meeting finalisation

Next meeting Friday 8 April 2020

Meeting closed 4:00pm Friday 14 February 2020.