

## **AFB PMP Management Agency Board Meeting Minutes**

**Date:** 19 November 2019

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

### **ATTENDANCE**

#### **Present**

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

#### **Guests**

Mr Byron Taylor	AsureQuality (item 6)
Mr Ian Govey	Ministry for Primary Industries (item 3)
Mr Mike Harre	Ministry for Primary Industries
Mr Marco Gonzalez	Management Agency (item 6)

### **1. Meeting opening**

#### **1.1. Chairman's welcome**

John welcomed everyone to the meeting.

#### **1.2. Apologies**

Kim Poynter is an apology for part of the meeting.

Hayley Pragert is present for the morning but an apology for the afternoon.

#### **1.3. Director conflict of interest disclosures**

Clifton noted that John had provided updates to the Interest Register and these would be updated after the meeting.

#### **1.4. Previous Minutes**

##### **1.4.1. Confirmation**

The draft August Board meeting minutes were approved.

#### **1.4.2. Action list**

Clifton advised the Board that he had removed all items that had been open for more than 6 months from the action list. He also updated the Board on the progress of action items.

Key discussion/action points are as follows:

- John Walsh advised that it had been MPI policy for some time for MPI staff not to be Board members of organisations that MPI was responsible for monitoring. He advised that while he was Director Readiness and Response he intended to fully participate in Board meetings as an observer.
- The Board requested to see the completed staff performance reviews at the next meeting.
- Clifton advised that beekeepers largely do not understand the difference/distinction between “DECA holders” and “Persons Responsible for Disease Management.” He advised that the would be best to address this issue as part of rolling out the National Bee Health System which would include new functionality that would better manage these two entities and support beekeepers understanding of the differences
- The Board clarified that Byron providing the information about the COI status of large commercial beekeepers without a DECA was a pre-requisite to determining what action the Management Agency should undertake.

### **2. National Compliance Managers Report**

Clifton presented the National Compliance Managers report. Matters arising from discussion of the report are as follows:

- The Board sought assurance that the debt collection arrangements with DebtWorks are still fit for purpose now that the Management Agency is cost recovering its actions on default. Clifton undertook to follow-up.
- The Board discussed the new staff that would be hired to enable the Management Agency to bring services currently provided by AQ in-house. The Board expressed a strong preference that the second Operations Manager work from a location within the north and eastern North Island region that they were responsible for to improve opportunities to develop networks and relationships with beekeepers in the region.
- John Walsh advised that he had read the audit report and that the Management Agency should receive a copy next week.

### **3. American Foulbrood Levy Amendment – Tasks and Timeline**

Ian briefed the Board on progress to amend the levy order. He advised the Board that the process is running behind schedule, but that the Board should have confidence that the levy order will be amended in time for the 2020/21 levy year.

#### 4. Operational Plan

The Board reviewed the draft operational plan.

The Board sought clarification as to why the priority for honey surveillance would be given to beekeepers that own the most hives. Clifton advised that it was a case of 'value for money'. Honey samples taken from large beekeeping operations provided an indication of the AFB status of a large number of hives and apiaries, whereas honey samples taken from smaller operations provided information about the AFB status of a smaller number of hives and apiaries - and in the case of a hobbyist may only provide information about one hive and apiary for the same cost per sample.

The Board discussed the criteria for classifying a beekeeping operation to be high risk for AFB. Clifton advised that the levy proposal had defined high risk beekeeping operations as an AP2 confirming AFB in greater than or equal to 10% of a beekeeper hives and at least 2 AFB cases are detected. He stated that he now thought that the enforcement effort for only 2 cases of AFB was too great and the Management Agency needed to choose a minimum number of cases that made the best trade-off between good use of resources and ensuring that non-compliant beekeeper's were held to account. After a substantive discussion the Board decided that the minimum number of cases of AFB should be set at 3. Clifton advised the Board that the Management Agency was required to review its operational plan each year, and that this would provide the opportunity change this threshold if required.

The Board raised concerns about the recommended cancellation of policies 009, 019 and 030. Clifton advised that this was because these policies would be superseded by the policies contained within the operational plan. It was agreed that these policies would be updated to refer to the relevant policies in the operational plan.

Changes requested by the Board are listed as follows:

- Page 1: Insert references for the cost of AFB and value of exports
- Last paragraph page 1: replace "in" with "an"
- Fourth paragraph page 5: insert missing word "is"
- First bullet point page 10: insert missing word "may"
- Rewrite second sentence of second paragraph page 10 as follows: "An authorised person may, but is not required to use laboratory tests to make their decision"
- Page 10: Change minimum number of AFB hives found by an authorised person from 4 to 3.
- Page 14 first paragraph: write AP1 in full (Authorised Person Level 1)
- Page 16 second bullet point: Expand description of compliant so that the reader does not have to read in conjunction with policy 3.1
- Page 18 last paragraph: Insert "These" invoices...
- Page 19 fourth to last bullet: Should read "goods" not "good"

Subject to the changes listed above the Board:

- Approved the operational plan
- Approved the release of the operational plan to the Minister

The Board did not agree to the cancellation of policies: 009 Selection of Apiaries for American Foulbrood Inspection Criteria, 019 Revocation of a Disease Elimination Conformity Agreement

(DECA), 030 AFB Recognition Course and Test Registration / Entry Criteria. These will be updated to refer to the operational plan.

## **5. National Bee Health System Procurement Plan**

The Board reviewed the procurement plan

The Board questioned whether there should be more than one technical person on the evaluation team. Clifton advised that ideally there would be more than one, however, the Management Agency is small, doesn't have its own inhouse technical expertise, and contracting technical expertise is expensive – hence why he was recommending contracting just one technical resource. The Board decided that MPI should be approached to see if they could supply an appropriate person to be part of the evaluation panel.

The Board questioned using whether the NBHS should be developed from a CRM/ERM package or whether it would be better to develop a completely bespoke application. Clifton advised that the technical advice he had received was clear that developing the new system based on a CRM/ERP package would be much cheaper than a completely bespoke application, and that the Management Agency could not afford the cost of developing a bespoke solution. The Board decided that Clifton should obtain another technical opinion. John Walsh offered to set up a meeting between Clifton and MPI staff involved with the development of MPI's new CRM based system for responding to *Mycoplasma bovis*.

The Board questioned the degree of detail specified in the requirements and questioned whether more detail was required before the procurement was initiated. Clifton advised that the best practice approaches to IT solution development are to define the requirements at a high level initially then to progressively elaborate the requirements as the project progresses. He advised that specifying the detailed requirements too early in IT projects is a common cause of project failure as it constrains the project teams ability to respond to feedback from real users.

The Board questioned the indicative timeline for the project, in particular why the procurement phase took 6 months and the implementation phase just 3 months. Clifton advised that regarding the procurement phase a month was lost due to Christmas holidays, and that it was important that the Management Agency conduct a thorough evaluation process to select the CRM/ERP package and vendor that best meet the Management Agency's needs. Clifton advised that he would push the procurement phase along and that it may be possible to complete this phase slightly quicker.

Clifton advised that the 3-month implementation phase estimate was reasonable, but that it was an estimate and that we would get a better understanding of the true implementation timeframe as we progress through the procurement phase.

The Board questioned why the whole of life cost of the NBHS was expressed over 5 years, and that they expected the solution to last for longer than five years. Clifton advised that it was normal practice to depreciate software over short time frames, typically 3 years. He advised that he had budgeted for the system to be fully depreciated over 5 years. This did not mean that he expected the Management Agency would stop using the system after 5 years. In practice he expected the system would be used for longer, but it may require a significant upgrade after 5 years.

The Board discussed the likely mix of capital and operating expenditure for the NBHS. Clifton advised that this is difficult to estimate as CRM/ERP packages dramatically reduce the capital expenditure requirements but do come with an ongoing licence costs. Consequently, he had not separated out the mix of capital and operating expenditure required in the 5-year cost of ownership. This would be clarified by the procurement process.

The Board discussed the implications of initiating the procurement process in advance of the new levy order being made. Clifton advised that the Board would not be committing to the additional expenditure until May/June – well after the new levy order would have been made. This provided the Board with the option to terminate or dramatically reduce the scope of the project if the new levy order had not been made in time for the 2020/21 financial year.

The Board discussed whether it was fair and reasonable to vendors to initiate the procurement prior to the new levy order being made. The Board decided that it was appropriate to initiate procurement prior to the new levy order being made as MPI had advised them earlier in the meeting that they should be confident that the new levy order would be made in time for the 2020/21 financial year.

The Board:

- Approved the procurement method
- Approved the evaluation methodology
- Noted the indicative timeline
- Provided approval to tender to identify the preferred supplier
- Approved the use of an indicative budget of \$975,000 over 5 years in the ROI.

## **6. Operations Reports (via videoconference)**

### **6.1. Operations Manager Report**

Marco presented his report to the Board

The Board enquired about a non-compliant beekeepers unextracted honey on storage that represented a serious AFB risk and had yet to be destroyed. Marco undertook to serve a Restricted Place Notice to manage the AFB risk associated with the honey until it could be destroyed.

Marco advised the Board that an AP2 had just been informed by MPI that MPI was prosecuting them for the importation of honey into New Zealand. The Board decided that the AP2 should be suspended pending the outcome of the trial.

### **6.2. AQ Bimonthly Report**

Byron presented the AQ Bimonthly report to the Board. Substantive discussions and decisions are noted below.

Byron highlighted that as at 14 November 67% of COIs remained outstanding. The Board enquired as to whether reminders had been sent out to which Clifton advised that an email reminder had been sent. The Board enquired about sending a TXT reminder to beekeepers that had yet to complete a COI. Byron advised that this was possible, but would require

some additional programming as well as the costs of sending the TXT's. The Board decided that beekeepers with outstanding COIs should be sent a TXT reminder as soon as possible.

The Board asked Byron for the COI status update about commercial beekeepers that did not have a DECA. Byron advised that the approach he was taking was to monitor the COI performance of beekeepers with more than 500 hives this season and would be able to report back at the next Board meeting. He advised that currently the COI performance of beekeepers with more than 500 hives was similar to other beekeepers.

The Board sought clarification about a beekeeper that had made a false declaration on their Certificate of Inspection that they had no beehives, and noted that this was a serious offence that could result in imprisonment for a term no exceeding 5 years and a fine not exceeding \$100,000. The Board directed that this case be referred to MPI for investigation and prosecution.

## **7. Matters for Discussion**

### **7.1. Health and Safety Report**

Clifton presented the Health and Safety Report.

The Board noted the difficulties encountered conducting inspections in a Maori settlement and directed that cultural competency training should be included in the next AP2 training. ApiNZ was able to provide the contacts for a suitable training provider and the Maori Biosecurity Network was another option.

### **7.2. Audited accounts for 2018/19**

Clifton presented the audited accounts for 2018/19 to the Board and noted that these had already been posted on the website.

The audited accounts were noted by the Board.

### **7.3. 2018/19 YTD Finance Report**

Clifton presented the YTD Finance report to the Board. It forecasts a \$67,493 deficit at year end associated with performing a greater number of apiary inspections than budgeted for.

The Board enquired whether the forecast included cancelling helicopter surveillance and reducing honey surveillance. Clifton responded that it had.

The Board debated the importance of delivering the AFB control that beekeepers required versus balancing the budget this financial year. The Board decided that making the investment in AFB control capacity was the priority and noted that the forecast budget balanced over a two-year period as the Management Agency achieved a surplus of \$64,348 in the previous financial year.

The Board requested Clifton to:

- Check the detail of the forecast Bad Debts Written Off, and
- To separate out the expenses associated with NBHS procurement as a separate expense item instead of including it under Five Year Plan Development.

#### **7.4. Training Report**

Clifton presented the Training report to the Board.

The Board noted that 107 beekeepers had sat the test via proctor and requested to know how many of these was associated with training by polytechnic's etc and that the process's associated with these were checked.

#### **7.5. Complaints Report**

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

### **8. Board member only section**

#### **9. Matters for noting**

No matters noted.

#### **10. Meeting finalisation**

The Board agreed the following meeting dates for 2020:

- 14 February 2020
- 8 April 2020
- 5 June 2020
- 14 August 2020
- 16 October 2020
- 12 February 2021

Next meeting Friday 14 February 2020

Meeting closed 4:00pm Tuesday 19 November 2019.