



Management Agency response to submissions on proposal to set the American Foulbrood – Beekeeper Levy for 2021/22 At \$40 per beekeeper and \$1.70 per colony

In March 2019, the Management Agency for the National American Foulbrood Pest Management Plan (the Agency) conducted consultation amongst beekeepers to seek their views about a proposal to replace the American Foulbrood Apiary and Beekeeper Levy with Hive and Beekeeper Levy. The proposal sought increased levy funding to implement a robust monitoring and audit programme that would ensure that all beekeepers are taking responsibility for eliminating AFB from their beehives.

After considering the 477 submissions received in March 2019 the Agency has decided to request the Minister to amend the levy order and the new Biosecurity (American foulbrood – Beekeeper Levy) Order 2003 was notified in March 2020.

The March 2019 proposal proposed that the implementation of a robust monitoring and audit programme was progressively implemented over a five-year period and that the rate of levy for 2021/22 be set at \$40.00 (\$46 including GST) per beekeeper and \$1.99 (\$2.29 including GST) per hive.

The Agency reviewed the budget for 2021/22 monitoring and audit programme, and in September 2020 proposed that the rate of levy be set at a lower rate than was originally planned - \$40.00 (\$46 including GST) per beekeeper and \$1.70 (\$1.96 including GST) per colony.

104 submissions were received. 95 were from survey respondents and 9 letter submissions were also received.

The Agency would like to thank submitters for their submissions on the proposed budget for 2021/22.

Summary of Agency decisions

Having considered the submissions, the Agency has decided to set that rate of levy for 2021/22 at \$40 (\$46 including GST) per beekeeper and \$1.70 (\$1.96 including GST) per colony.

The reasons for this decision are set out below:

Only 1% of beekeepers provided a response to the proposal and equal numbers of responding beekeepers agreed or disagreed with the proposal to set the rate of levy at \$40 (\$46 including GST) per beekeeper and \$1.70 (\$1.96 including GST) per colony. However, survey respondents expressed strong support for the Management Agency making further investments in its monitoring and auditing programme with:

- 68% of respondents agreeing that honey surveillance should be increased from 500 to 1,000 samples per year
- 69% of respondents agreeing that default inspections should be conducted on those beekeepers that default on their annual Certificate of Inspection obligations, and
- 76% of respondents agreeing that the Management Agency should review the National American Foulbrood Pest Management Plan to ensure that AFB continues to be under legislative control after 1 April 2023.



The primary objection stated by submissions against the proposed rate of levy was that it was too high, making it financially difficult for commercial beekeepers, too expensive for hobbyists, and that the rate of levy should not increase so soon after the 2020/21 increase.

The Agency is concerned about the financial hardship that many beekeepers are experiencing. However, the Agency also concerned about the financial impact of AFB on beekeepers and has a responsibility to fully implement the National Pest Management Plan to progressively reduce the impacts of AFB. Full implementation of the National Pest Management Plan does require progressive increases in the levy as described in the March 2019 consultation.

The proposed levy rate for 2021/22 is \$0.35 per colony above the current levy rate. The Agency considers that the additional levy is justified to fund further investments in monitoring and auditing to reduce the costs associated with losing hives and production to AFB.

Consultation questions and Agency response

The Agency consulted with beekeepers in September 2020 seeking their views on the proposed budget for 2021/22. Beekeepers were asked to respond to five key questions:

1. Do you agree that honey surveillance should be increased from 500 to 1,000 samples per year?
2. Do you agree that default inspections should be conducted on the apiaries owned by all beekeepers that default on their annual Certificate of Inspection obligations?
3. Do you agree that the Management Agency should review the National American Foulbrood Pest Management Plan to ensure that AFB continues to be under legislative control after 1 April 2023?
4. Do you agree that the rate of levy for 2021/22 should be set at \$1.70 (\$1.96 including GST) per bee colony and \$40 (\$46 including GST) per beekeeper?
5. Do you have any feedback about the proposed investments in improved AFB elimination and rate of levy for 2021/22?

The Agency has considered the beekeeper response to these questions as follows:

- 1. Do you agree that honey surveillance should be increased from 500 to 1,000 samples per year?**
68% of submissions agreed or strongly agreed that honey surveillance should be increased from 500 to 1,000 samples per year?

A small number of written submissions were made on this question. These submissions were concerned that not enough information was provided or that hobbyists would be ignored.

The National American Foulbrood Pest Management Plan requires the Agency to monitor the level of AFB in beehives owned by all DECA holders every year. The Agency is not able to discharge this obligation by simply monitoring AFB notifications made by beekeepers as the Management Agency has overwhelming evidence that non-compliant beekeepers fail to notify cases of AFB.

There are over 5,000 DECA holders, and collectively these beekeepers own in excess of 795,000 beehives. Inspecting sufficient beehives to enable the Management Agency to monitor the level of AFB in each DECA holders beehives would be a mammoth undertaking that would greatly exceed the levy funds available and a more cost effective surveillance methodology is required.

Honey surveillance is a highly cost-effective surveillance method for verifying which commercial beekeepers have eliminated AFB from their beehives as it enables honey from 100s of beehives to be tested for AFB from a single composite sample. Honey surveillance will provide the Agency with objective evidence to confirm which DECA holders have eliminated AFB from their beehives. This will enable the Agency to focus its inspection resources on beehives owned by beekeepers that have yet to eliminate AFB.

2. Do you agree that default inspections should be conducted on the apiaries owned by all beekeepers that default on their annual Certificate of Inspection obligations?

69% of submissions agreed or strongly agreed that default inspections should be conducted on the apiaries owned by all beekeepers that default on their annual Certificate of Inspection obligations.

A small number of written submissions were made on this question. Most of these submitters considered that the Agency should charge for default inspections, that defaulter should be fined, or have their bees removed or shut down. A minority considered that defaulters should get a warning first.

The purpose of the annual Certificate of Inspection programme is to ensure that every beehive receives at least one valid inspection every year. Beekeepers have a four-month window to complete their Certificate of Inspection (August to November) and the Agency provides multiple reminders to beekeepers with outstanding Certificates of Inspection during this period.

The purpose of the default inspection programme is to ensure that every beehive does receive one valid inspection each year, even when a beekeeper defaults on their annual Certificate of Inspection requirements. The Management Agency does invoice beekeepers to recover the costs of default inspections. However, these debts can be difficult to recover and there may be a significant delay between when an AP2 completes the default inspection and when the debt is finally recovered by a debt collection agency.

3. Do you agree that the Management Agency should review the National American Foulbrood Pest Management Plan to ensure that AFB continues to be under legislative control after 1 April 2023?

76% of submitters agreed or strongly agreed that the Management Agency should review the National American Foulbrood Pest Management Plan to ensure that AFB continues to be under legislative control after 1 April 2023.

A small number of written submissions were made on this question. Their primary concern was that the Management Agency should not lead the review process and that it should be led by independents.

Under the current National American Foulbrood Pest Management Plan beekeepers are responsible for eliminating AFB from their beehives and beekeepers are beneficiaries of AFB elimination. The Biosecurity Act 1993 specifies demanding standards for the review of national pest management plans designed to ensure that any Ministerial decision to continue or amend

legislative controls for AFB are in the best interests of levy payers. These standards must be complied with irrespective of which entity leads the review.

It is normal practice in New Zealand for the management agency responsible for implementing each pest management plan to lead the review. The Management Agency intends to lead a review that enables beekeepers to have their say on how the current AFB regulations can be improved for the benefit of the entire beekeeping industry.

4. Do you agree that the rate of levy for 2021/22 should be set at \$1.70 (\$1.96 including GST) per bee colony and \$40 (\$46 including GST) per beekeeper?

Equal number of submitters agreed and disagreed with the proposal to set the levy for 2021/22 at \$1.70 per bee colony and \$40 per beekeeper.

A small number of written submissions were made in response to this question. Submissions that supported the proposal stated that the benefits of enforcement were worth the cost. Submissions against the proposal stated that proposed rate of levy was that it was too high, making it financially difficult for commercial beekeepers, too expensive for hobbyists, and that the rate of levy should not increase so soon after the 2020/21 increase.

The Agency is concerned about the financial hardship that many beekeepers are experiencing. However, the Agency also concerned about the financial impact of AFB on beekeepers and has a responsibility to fully implement the National Pest Management Plan to progressively reduce the impact of AFB. Full implementation of the National Pest Management Plan does require progressive increases in the levy as described in the March 2019 consultation.

The proposed levy rate for 2021/22 is \$0.35 per colony above the current levy rate. The Agency considers that the additional levy is justified to fund further investments in monitoring and auditing to reduce the costs associated with losing hives and production to AFB.

5. Other feedback about the about the proposed investments in improved AFB elimination and rate of levy for 2021/22?

Small numbers of written submissions also provided feedback on a range of other topics including: the consultation process and information, improvements that could be made by the Agency, the use of accumulated funds, AFB can't be eliminated, increasing beekeeper education, and beekeepers might not declare all hives.

Consultation process and information

These submissions complained about a combination of: insufficient information provided, the use of a survey form, non-compliance with levy order consultation requirements, insufficient time for consultation, and that the Management Agency presented its total budget including levy funded and cost recovered expenditure.

The Agency considers that its budget consultation process and information provided is fully compliant with the consultation requirements of the levy order and is consistent with the consultation undertaken by other levy funded organisations.

The Agency considers that its consultation approach enabled beekeepers to understand the proposed change in rate of levy, the additional investments the Agency was proposing to make in

improved AFB elimination, the reasons for selecting these areas for investment and provided all beekeepers with the opportunity to make a submission for consideration by the Agency.

Improvements that could be made by the Agency

These submissions questioned the Agency's use of resources.

The Agency is committed to improving the implementation of the National American Foulbrood Pest Management Plan and has initiated multiple improvements over the last three years including:

- *Transferring the delivery of operational services from AsureQuality to the Agency to provide a more efficient and responsive service to beekeepers*
- *Replacing a contracted Apiary Advisor working 15 hours per week with two full time Operations Managers to provide the capability and capacity to respond to the volume of non-compliance reports received, and ensure that high rates of unreported AFB is investigated*
- *Increasing the number of AP2s 'on the ground' from 21 to 48,*
- *Doubling the number of beehives inspected by AP2s for AFB each year.*
- *Use of the Agency's enforcement powers to mitigate the risk of AFB spreading from beehives owned by non-compliant beekeepers to beehives owned by neighbouring beekeepers*

The Management Agency is also replacing ApiWeb with a new modern fit for purpose system early next year and intends to continue to drive improvements to achieve the National American Foulbrood Pest Management Plans goal of eliminating clinical AFB from managed beehives.

Accumulated funds

There were suggestions that the Management Agency already had sufficient accumulated funds and that the increase in levy was not required.

The Agency is using the accumulated funds to fund the capital expenditure required to replace ApiWeb. Consequently, these funds are not available for other purposes.

AFB cannot be eliminated

These submissions stated that AFB cannot be eliminated.

The Agency does not agree that clinical AFB cannot be eliminated from managed beehives as significant numbers of beekeepers have successfully eliminated AFB from their beehives. The challenge that must be overcome to eliminate clinical AFB from managed beehives in New Zealand is ensuring that all beekeepers undertake the actions required to eliminate AFB from their beehives.

Increasing beekeeper education

These submissions stated that more beekeeper education is required.

The Agency is committed to increasing beekeepers' ability to recognise and eliminate AFB. It routinely promotes its AFB recognition and refresher courses and ensures that sufficient courses are available to meet demand. The Agency also supports beekeepers to recognise AFB in their own hives by assessing photographs of suspected disease and arranging for a more experienced beekeeper to provide assistance with the diagnosis.

Beekeepers might not declare all their hives

These submissions stated that increasing the levy may lead to beekeepers not declaring all of their hives.

The increase in levy provides the Agency with greater resources for monitoring and auditing, thereby increasing the chances of non-compliant beekeepers being caught and held to account.