

Strategic Intentions

2018-2023

Ministry for Primary Industries
Manatū Ahu Matua



Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa



Fisheries New Zealand

Tini a Tangaroa



New Zealand Food Safety

Haumaru Kai Aotearoa



Te Uru Rākau

Forestry New Zealand





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Director-General's Foreword



I am delighted to present the 2018–2023 Strategic Intentions for Biosecurity New Zealand, Fisheries New Zealand, New Zealand Food Safety, Te Uru Rākau, and the Ministry for Primary Industries (MPI).

This year marks the centenary of the appointment of Dr CJ Reakes, the Department of Agriculture's first Director-General. Dr Reakes and the department responded to the post-War challenge of increasing agricultural production by reorganising the department and its compliance, training and scientific operations – a strategy that contributed to New Zealand excelling as a world-leading producer of food and fibre.

Today, the primary sector continues to underpin New Zealand's economy. The sector represents 79 percent of New Zealand's merchandise exports and last year earned New Zealand \$42.6 billion. Export revenue is forecast to continue growing.

To build and maintain such a powerful economic base requires foresight and adaptability from everyone involved in our primary industries. We are seeing increasing demand for primary exports that meet ethical welfare, sustainability and traceability requirements.

Technology is changing the future of production and the future of the food system. We will need to embrace innovation such as laboratory-grown meat and alternative proteins. Old trade alliances are under review, and our rights of access to traditional markets cannot be taken for granted.

Continued increase in trade and tourism, and the challenges of climate change, mean the pressure on our border protection and biosecurity systems is unprecedented. Over the past year and a half, we have seen the incursion of *Mycoplasma bovis*, the spread of myrtle rust and the need for more rigour in our efforts against kauri dieback. The success of the primary sector depends on protecting New Zealand from pests and diseases. The Biosecurity 2025 Direction Statement sets out how we can all contribute to the effectiveness of the biosecurity system.

MPI is rising to these challenges. These are turbulent and uncertain times, and we acknowledge that the way

we have worked in the past must adapt. We are also embracing the Living Standards Framework and the holistic approach to wellbeing that this Government is taking.

Earlier this year, we created four new business units to boost focus in the key areas of Biosecurity, Fisheries, Food Safety and Forestry. The new business units will enable us to respond better to the expectations of government and New Zealanders. Each constituent part of MPI has a vital role to play in our refreshed strategy. Areas of focus for the next four years are:

- Sustainable Performance;
- Increasing Transparency;
- Building Resilience;
- Ease of Business;
- Capturing Value;
- Supporting Leadership; and
- Engaging Communities.

From this platform, we will continue to pursue our ambition to position New Zealand as the most trusted source of high-value natural products in the world.

We know we cannot deliver this strategy on our own. We will need to work with the primary sector and collaborate with other government agencies, with our Treaty partners, with communities, and with New Zealanders. This is a key emphasis in our new strategy.

Finally, I would like to take this opportunity to thank all the MPI colleagues I have worked with over the past five years. It has been a real privilege to lead this organisation through times of challenge and success, and I am confident I leave the Ministry in good heart and in good hands.

A stylized, handwritten signature in black ink, appearing to read 'M Dunne'.

Martyn Dunne CNZM
Director-General



Statements of responsibility

Director-General's statement

In signing this information, I acknowledge that I am responsible for the information on the strategic intentions of Biosecurity New Zealand, Fisheries New Zealand, New Zealand Food Safety, Te Uru Rākau, and the Ministry for Primary Industries. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.

Signed:

Martyn Dunne, CNZM

Date: 9 October 2018

Responsible Ministers' statement

I am satisfied that the information on strategic intentions prepared by Biosecurity New Zealand, Fisheries New Zealand, New Zealand Food Safety, Te Uru Rākau, and the Ministry for Primary Industries is consistent with the policies and performance expectations of the Government.

Signed:

Hon Damien O'Connor

Minister of Agriculture

Minister for Biosecurity, Food Safety,
and Rural Communities

Date: 9 October 2018

Signed:

Hon Stuart Nash

Minister of Fisheries

Date: 9 October 2018

Signed:

Hon Shane Jones

Minister of Forestry

Date: 9 October 2018

The primary sector's importance to New Zealand

The primary sector's span is considerable – from paddock, orchard, forest and ocean, through the processing, packaging, and transportation system, all the way to the market, and ultimately to consumers worldwide. Its activities cover 52 percent of New Zealand's land mass, and 4.4 million square kilometres of ocean.

The primary sector currently employs approximately 350,000 people, and an estimated 50,000 more will be required by 2025. In some regions, the sector employs up to one in every three people, making it a critical part of New Zealand's social and economic structure.

The success of the primary sector is vital for New Zealand's prosperity and wellbeing. Last year it accounted for 11 percent of New Zealand's gross domestic product. Collectively, the primary industries represent 79 percent of New Zealand's merchandise exports. The estimated value of primary sector exports was \$42.6 billion for the year ended June 2018, 12 percent up from \$38.1 billion last year. This is the largest annual increase since 2014. Export revenue for 2019 is forecast to build on the gains expected in 2018, with exporters increasingly focusing on producing environmentally sustainable, high-value natural products.

The outlook for New Zealand's primary sector is positive, provided the sector can continue to lift environmental performance and sustain consumer trust. It will also

need to adapt to the impacts of technology, shifting trade dynamics, climate change, and rapidly changing public attitudes and consumer preferences.

A key challenge is to grow sustainably. The primary sector relies on access to, and the long-term use of, natural resources and these resources are under increasing pressure. Climate change is affecting land productivity and the marine environment. Increased frequency of severe weather events has significant impacts for rural communities. The future food system will embrace innovation.

The Government is also committed to a strong ongoing relationship with Māori. Māori are key contributors to the primary sector as significant producers and land-owners, and have a special interest in the protection of our natural resources and biodiversity. MPI is focused on strengthening collaboration with Māori, to support participation in the primary sector and to help Māori realise their cultural and economic aspirations.

This document sets out the MPI medium-term strategy to support the primary sector to meet these challenges. It describes how MPI and its four new branded business units – Biosecurity New Zealand, Fisheries New Zealand, New Zealand Food Safety, and Te Uru Rākau – will deliver outcomes for the benefit of the primary sector and to New Zealand over the next four years.



About MPI

MPI's role in supporting the primary sector

MPI is involved in a wide range of operational, readiness and response, policy, regulatory, trade and industry development activities that support New Zealand's primary sector.

We manage the major regulatory systems that underpin agriculture, biosecurity, food safety, fisheries, forestry, and animal welfare. MPI has over 2,800 staff based in more than 60 locations in New Zealand and overseas. Our people work in a range of environments, from airports and beaches to laboratories, abattoirs and fishing vessels. MPI's responsibilities traverse the whole chain of primary production. Because of MPI's size, we can deploy staff across and between regulatory systems to respond to events quickly. MPI also provides policy advice to the government on these systems and is actively involved in the natural resource, economic and border sectors of government.

Our organisation has a long and rich history, starting back in the 1870s when 30 sheep inspectors formed the Stock Branch of the Department of Crown Lands, and a Marine Department became responsible for regulating fisheries. A Forests and Agricultural Branch was later created within the Department of Crown Lands, which eventually led to the formation of the first Department of Agriculture in 1892. That department, with a staff of 83, was a small nucleus of what would later become MPI.

Over the past hundred years, our organisation has evolved from having a singular focus on agriculture to becoming responsible for other areas of importance such as biosecurity, food safety, animal welfare, fisheries and forestry.

Our branded business units

In 2018 the Government decided to separate the existing Primary Industries and Food Safety portfolios into separate Biosecurity, Fisheries, Forestry, Agriculture, Food Safety, and Rural Communities portfolios. Four separately branded business units have now been established within MPI to better align to these portfolios:

- **Biosecurity New Zealand** – Tiakitanga Pūtaiao Aotearoa;
- **Fisheries New Zealand** – Tini a Tangaroa;
- **New Zealand Food Safety** – Haumarū Kai Aotearoa;
- **Te Uru Rākau** – Forestry New Zealand.

This new structure recognises the important role that the primary sector plays in delivering on social and economic goals. It will better position MPI to achieve the Government's priorities and support the primary sector by enabling:

- increased focus and performance;
- greater clarity and unity of purpose for staff working in portfolio areas;
- enhanced transparency of government policy and regulatory activities within portfolio areas; and
- improved opportunities for stakeholders, tangata whenua, and the wider public to engage with portfolio Ministers and officials.

The new business units continue to be supported by a number of integrated functions including the provision of policy and regulatory advice, market access and trade services, as well as a range of corporate and support services. MPI remains the internationally recognised competent authority to carry out a number of functions for the primary sector, such as setting and reviewing regulations, verification, monitoring, issuing official assurances, and ensuring compliance.

Today, MPI and its four business units lead the Government's work to benefit the primary sector, the environment, and all New Zealanders. We work closely with a wide variety of central and local government agencies; iwi, hapū, whānau and Māori organisations; private sector organisations; and key stakeholder groups.

Strategic context

Emerging trends and challenges

To continue to prosper over the next decade and beyond, the primary sector will need to adapt, and so will MPI. Some of the high-level challenges and opportunities facing the primary sector and MPI are described here.

Sustainability of natural resources

Many of our natural resources are under pressure. A shift to more efficient and environmentally sustainable agricultural practices will enhance the primary sector's social licence to operate and ability to earn better returns through trade, and enhance broader social and environmental wellbeing.

Climate change

Primary sector activities contribute to greenhouse gas emissions. The increase in greenhouse gas emissions is a major contributor to climate change. Climate change is impacting water and food production systems, land productivity, biodiversity and the marine environment.

Market forces, trade and tourism

A rising population and Asia's emerging middle classes are driving an increase in long-term global food demand. Changes in the political and economic context can significantly affect exporters' access to offshore markets and the competition they face within them. The global trading environment is also becoming more complex. Increasing volumes of people, goods, boats and ships, and natural products are entering New Zealand, which means increased biosecurity and fraud-related risks to the primary sector. This in turn means more complex, longer and often concurrent responses in order to manage or mitigate the threat.

Consumer preferences and behaviour

Global food consumption is changing, driven by demographic, social and economic trends. Knowing which consumers will have future purchasing power, where they are, and what they want, will be key to the way we market our exports.

Innovation and technology

The exponential pace of technological change is disrupting industries, stimulating emerging business models and throwing up new options for consumers, such as laboratory-grown meat and alternative proteins. On the other hand, innovation and new technology are enablers of production and productivity improvements, and the sector will need to keep up. Producers also face competition from new routes to market (for example, e-commerce) that both respond to and will further influence consumer preferences.

Public trust and participation

Globally, evidence points towards declining public trust in government, corporations and the primary sector. The public is increasingly turning to social connections and social media for guidance and advice. The public is seeking greater participation in decisions on issues affecting them and their communities.

Nature of the regulatory environment

Regulators will need to ensure regulatory settings can accommodate rapid technological change. Players outside of government are likely to be increasingly influential in determining policy and regulatory settings. Standards as set by industry will also play a more influential role in defining how things work. Regulations will need to enable all stakeholders to play their part in managing risks that threaten the prosperity of the primary sector.



Supporting government priorities

The Government is focusing on building a productive, sustainable and inclusive economy and improving the wellbeing of New Zealanders and their families. The primary sector is critical to the success of the Government's plan to transform the New Zealand economy. Government priorities that relate most closely to the primary sector are:

- growing and sharing New Zealand's prosperity – growing the sustainability, value, and reach of New Zealand's exports;
- unlocking the potential for sustainable growth in the regions;
- improving the way government engages with Māori, and finding opportunities for more active partnerships;
- a new "Trade for All" agenda;
- transitioning to a clean, green, and carbon-neutral New Zealand; and
- investing for social wellbeing.

The Government has also committed to developing a comprehensive set of environmental, social and economic sustainability indicators. The Treasury has developed a Living Standards Framework to meet this need, encompassing natural, environmental, social and economic outcomes for current and future New Zealanders. The Living Standards Framework is a tool that will support government choices around priorities, policy, and investment and budget decisions. It will enable public agencies to provide better policy advice to Ministers, and work more collaboratively to deliver services and outcomes that increase the intergenerational wellbeing of all New Zealanders.

The Four Capitals – from Treasury's Living Standards Framework

Intergenerational wellbeing relies on growth, distribution, and sustainability of the Four Capitals. The Capitals are independent and work together to support wellbeing. The Crown–Māori relationship is integral to all four capitals.



Natural Capital

This refers to all aspects of the natural environment needed to support life and human activity. It includes land, soil, water, plants and animals, as well as minerals and energy resources.



Social Capital

This describes the norms and values that underpin society. It includes things like trust, the rule of law, cultural identity, and the connections between people and communities.



Human Capital

This encompasses people's skills, knowledge and physical and mental health. These are the things which enable people to participate fully in work, study, recreation and in society more broadly.



Financial/Physical Capital

This includes things like houses, roads, buildings, hospitals, factories, equipment and vehicles. These are the things which make up the country's physical and financial assets, which have a direct role in supporting incomes and material living conditions.

Shaping our strategy for the future

In recent years MPI has been focused on enabling the primary sector to grow the value of its food, fibre, beverages, agritech and services exports. Our previous strategy led to a strengthening of MPI's core regulatory systems that support exports, particularly biosecurity and food safety.

We invested in partnerships with industry to drive innovation, and we significantly expanded our overseas presence to work with overseas authorities to remove barriers for New Zealand's products. The expansion of electronic certification allowed MPI to respond more quickly to changing market export requirements, and reduced the cost of verification and certification for exporters. MPI also built capacity at the border, and invested in its response and operational coordination functions.

In 2017, MPI refreshed its strategy to respond to our changing context.

While our core purpose of growing and protecting New Zealand remains as relevant as ever, we decided our strategy needed to better balance and reconcile the needs of New Zealand.

Needs which include economic growth, environmental protection, the health and wellbeing of our people, the sustainability of our natural resources, and the participation of our communities in the success of the primary sector. Our new strategy now targets four outcomes: sustainability, protection, growth and participation.

The shift we need to support the primary sector to make is to grow sustainably. This is important because in order to grow the value of our exports, we need to ensure that our natural resources are still abundant for future industry and future generations. Sustainable resource use is of increasing importance to consumers globally, and to the public of New Zealand. Our ambition is that New Zealand will be the most trusted source of high-value natural products in the world.

This document describes how we will work towards these outcomes, in line with the priorities of this Government, while continuing to improve performance of the core services we provide to the primary sector and to New Zealand.

GROWING AND PROTECTING NEW ZEALAND



OUR AMBITION

New Zealand is the most trusted source of high-value natural products in the world

OUR OUTCOMES



Sustainability

New Zealand's natural resources are sustainable, in the primary sector.



Protection

New Zealand is protected from biological risk and our products are safe for all consumers.



Growth

New Zealand's food and primary sector grows the value of its exports.



Participation

New Zealanders participate in the success of the primary industries.

FOCUS AREAS

SUSTAINABLE PERFORMANCE

Promoting an adaptive and environmentally responsible primary sector

INCREASING TRANSPARENCY

Building trust and confidence in decision making

BUILDING RESILIENCE

Preparing for new trends and disruptions

EASE OF BUSINESS

People and business focused regulations and services

CAPTURING VALUE

Growing prosperity through insight and innovation

SUPPORTING LEADERSHIP

Enabling action in the primary and government sectors

ENGAGING COMMUNITIES

Encourage active, informed and involved communities

OUR VALUES

RESPECT

Value people, value our work

CONNECT

Work together, build partnerships

TRUST

Give responsibility, take responsibility

DELIVER

Act with purpose, achieve results

Ministry for Primary Industries
Manatū Ahu Matua



Biosecurity New Zealand
Tākitanga Pūtaiao Aotearoa

New Zealand Food Safety
Haumaru Kai Aotearoa



Te Uru Rākau
Forestry New Zealand



Fisheries New Zealand
Tini a Tangaroa

Our ambition



At the heart of our strategy is our ambition for New Zealand to be the most trusted source of high-value natural products in the world.

High-value natural products are products that command premium prices based on a verifiable feature of their production (for example, organic, grass-fed, or “Made in New Zealand”), or additional processing to create new products. New Zealand’s future food safety system needs to be flexible and adaptable to the use of emerging technology in food production.

If we are able to demonstrate that our products have integrity, are safe and high quality, and are produced ethically and sustainably, then consumers will seek out New Zealand-made products and will pay more for them. The primary sector will achieve growth through higher value, and this will deliver increased prosperity for New Zealand.

The integrity of our brand is key to our competitive advantage, and ensures our primary industries are resilient to changes in the international environment and changing consumer preferences.

The qualities that underpin the integrity of our brand reflect what New Zealand expects of us, and of the primary sector. Ethical and sustainable practices are key to the social licence that allows the primary sector to operate and MPI to deliver its services.

To deliver on this ambition MPI is looking to:

- promote increased career opportunities and skills development in the primary sector;
- greater sustainability of resources, ecosystems and environments to ensure they are available for future generations;
- support the delivery of increased value from the primary sector through an emphasis on the integrity of our primary products;
- ensure access for New Zealand businesses to international markets based on the quality and integrity of processes, and the effectiveness of our biosecurity system; and
- protect the health and safety of consumers and encourage sustainable use of resources, and respect for our ecosystems and environments to ensure they are available for future generations.

Outcomes and result areas



Our new strategy introduces a stronger emphasis on environmental and social outcomes for New Zealand. These outcomes are what MPI and its business units seek to achieve over the long term.

Why have we chosen these outcomes?

- **Sustainability:** The primary sector is the largest user of natural resources, and MPI is responsible for ensuring this is sustainable and environmental impacts are minimised.
- **Protection:** The prosperity and wellbeing of New Zealand depends on protecting our unique way of life, our natural resources and our reputation for integrity, and the health and safety of consumers of primary products.
- **Growth:** The primary sector makes up over 79 percent of New Zealand's merchandise exports. A successful primary sector is a key contributor to the economic success of New Zealand.
- **Participation:** All New Zealanders should share in economic success and prosperity of the primary sector. The primary sector can only be successful with the support and involvement of all New Zealanders.

There are three key result areas associated with each outcome that describe the impacts we want our activities to have. We have identified a set of indicators for each result area that we will refine over the coming year and use to report our progress over the next four years. We have also worked to align these results to the Treasury's Living Standards Framework so we can clearly demonstrate how the delivery of our strategy will contribute to growing the wellbeing of current and future New Zealanders.

The long-term outcomes and their corresponding result areas and indicators are described below, showing the relationship between our key result areas and the Living Standards Framework.

KEY:



Natural capital



Human capital



Social capital



Physical capital



Sustainability

New Zealand's natural resources are sustainable in the primary sector.

New Zealand's natural resources provide the foundation for the primary sector and have huge social and cultural importance for New Zealanders, but, in some areas, environmental limits are being reached. To be successful in the long term, New Zealand must grow in a manner that sustainably manages the nation's natural resources. Resilience and adaptation to climate change are also important elements of environmental sustainability.

The Sustainability outcome is defined by the following result areas.



Reducing net primary sector contributions to climate change

Key indicators for measuring progress:

- Greenhouse gas emissions per unit of production are reduced.
- Tree-planting rates over the next decade are increased.



Reducing environmental impacts of land and water use

Key indicators for measuring progress:

- Fresh water quality is improved.
- Farm nutrient loss/leaching per unit of production is reduced.
- Erosion is reduced.



Sustainable management of our marine environment

Key indicators for measuring progress:

- The number of priority fish stocks that are being managed to, or have plans to rebuild towards, accepted target or reference levels is increased.
- Marine biodiversity is maintained.
- High compliance rates with legal requirements in the commercial, recreational and customary fisheries are reached and maintained.



Protection

New Zealand is protected from biological risk and our products are safe for all consumers.

New Zealand's prosperity depends on protecting our unique environment and way of life, and New Zealand's reputation for integrity. Protecting New Zealand from biological risk, a strong food safety system, and a commitment to animal welfare are key to this.

The Protection outcome is defined by the following result areas.



Increasing the safety and suitability of New Zealand's food

Key indicators for measuring progress:

- Rates of foodborne illness are maintained or reduced.
- Levels of compliance with food safety legislation and regulation within New Zealand and for food exported out of New Zealand are increased.
- The cost of compliance with food safety and suitability requirements is maintained or reduced.



Improving animal welfare practice in New Zealand production systems

Key indicators for measuring progress:

- Consumer trust in the New Zealand animal welfare system is increased.
- Compliance with animal welfare standards is increased.



Minimising the impact of pests and diseases

Key indicators for measuring progress:

- Compliance at New Zealand's borders to keep out as many pests and diseases as possible (covering pre-border actions, airports, cruise ships, post and shipping cargo) is improved.
- Primary sector readiness to minimise the impact of pests and diseases is increased.
- Pest and disease responses/intervention programmes are successful.



Growth

New Zealand's primary sector grows the value of its exports.

MPI plays a pivotal role in enabling New Zealand's social and economic success. The global demand for food is rising, the economies of our major trading partners are growing, and the opportunities for New Zealand to increase its export earnings are increasing. The best opportunities for growth lie in producing value-added primary sector products and lowering the cost of accessing markets. Helping farmers and producers to implement clean and green precision technology and other measures to make the primary sector more sustainable, productive, efficient and profitable also contributes to growing the value of our products. Increased primary sector productivity will improve the wellbeing of rural communities by delivering employment and sustainable economic opportunities. The Growth outcome is defined by the following result areas.



Increasing returns through market differentiation

Key indicators for measuring progress:

- A higher proportion of businesses enter new and high-value export markets.
- The value of primary industry exports is increased once free trade agreements are established.



Higher levels of consumer trust in New Zealand products

Key indicator for measuring progress:

- Consumer perception of the quality and premium value of New Zealand primary products is improved.



Increasing primary sector innovation

Key indicators for measuring progress:

- Primary industry businesses develop new and more high-value products and services.
- MPI-supported programmes realise productivity improvements and innovation.



Participation

New Zealanders participate in the success of the primary industries.

The primary sector needs engagement and support from everyone in New Zealand, in order to protect the country from foreign pests and diseases. Increased participation is necessary for the ongoing delivery of a productive primary sector. The sector needs a steady supply of skilled workers to continue to provide the world with our products.

Engaging with tangata whenua is important because growing and protecting Māori primary sector assets contributes directly to the development of New Zealand's regional economies. Assisting Māori to make the most of their natural resources and assets will lead to economic growth for the nation.

Participation also means that all New Zealanders should enjoy the benefits of the primary sector's success.

The Participation outcome is defined by the following result areas.



Increasing public trust in the primary sector systems

Key indicators for measuring progress:

- The public has more confidence that MPI and its business units add value to the systems they lead or regulate.
- The public is more deeply engaged through greater proactive sharing of MPI information.
- Opinion of the primary sector among the New Zealand public is increasingly positive.



New Zealanders benefit from the primary sector's improving contribution to intergenerational wellbeing

Key indicators for measuring progress:

- More New Zealanders agree that the primary sector is delivering in New Zealand's best interests.



Building a "team of millions" that actively assists to grow and protect New Zealand

Key indicators for measuring progress:

- A higher percentage of target groups engage with our preparedness and responsiveness programmes.
- Participation in volunteer initiatives led/managed/supported by MPI and its business units is increased.

Delivering the strategy

FOCUS AREAS

SUSTAINABLE PERFORMANCE	INCREASING TRANSPARENCY	BUILDING RESILIENCE	EASE OF BUSINESS	CAPTURING VALUE	SUPPORTING LEADERSHIP	ENGAGING COMMUNITIES
Promoting an adaptive and environmentally responsible primary sector	Building trust and confidence in decision making	Preparing for new trends and disruptions	People and business focused regulations and services	Growing prosperity through insight and innovation	Enabling action in the primary and government sectors	Encourage active, informed and involved communities

To deliver the strategy we have identified seven broad focus areas for the next four years. The focus areas are cross-cutting – they may deliver benefits to several result areas and one or more long-term outcomes, and they may be applicable to all or many of the systems we manage.

The seven focus areas are in line with the Government's objectives and reflect what we need to focus on first in order to progress our strategy. Over time, as we achieve results, these will shift.

We will use the focus areas to provide the framework for planning and prioritising our activity.

public. Over the next four years, we aim to ensure:

- Information about the management of our marine environment, and the environmental performance of the primary sector, is more accessible.
- We are making smarter use of science and data to support better decision making.
- Reliable science and information is readily available to local authorities and primary producers to inform planning and decision-making about land use.
- Requirements for ensuring compliance with new animal welfare standards are clearly communicated to primary producers.

Sustainable performance

Promoting an adaptive and environmentally responsible primary sector

We will support the primary sector to implement changes that lift environmental performance, ensure the sustainability of our natural resources and adapt to climate change. Over the next four years, we aim to ensure:

- The necessary tools and controls are in place to manage the environmental effects of fishing and aquaculture.
- There is a significant increase in planting of the right trees in the right places.
- The majority of farms have plans in place to manage environmental, biosecurity and animal welfare responsibilities and are supported to improve performance.
- Primary producers are taking steps to address the impacts of climate change.

Increasing transparency

Building trust and confidence in decision-making

We will actively release more data and information to the public about the performance of the primary sector, MPI and our business units, and the information that we use to support our decisions. We will work to ensure that the science we commission and the research we undertake is available and accessible for businesses and the

Building resilience

Preparing for new trends and disruptions

We need to make sure that our regulatory systems remain fit-for-purpose to cope with the changes in our operating environment. Over the next four years, we aim to ensure:

- We have strengthened our response and long-term pest management capability, implemented a *Mycoplasma bovis* eradication strategy, and accelerated management of kauri dieback.
- There is increased compliance with an improved National Animal Identification and Tracing (NAIT) system and improved on-farm biosecurity practices.
- We have improved management of offshore biosecurity risks by streamlining processes to develop and review Import Health Standards.
- The food system is well positioned to respond to emerging risks of imported food and anti-microbial resistance.
- Rules are more responsive, adaptable, and incentivise good practice.

There are specific regulations and standards we will review or amend to ensure they are fit-for-purpose. This includes:

- embedding food safety law reform and progressing work around food labelling;
- reviewing legislation to ensure it supports a more effective biosecurity system, including a more sustainable funding model for future biosecurity responses;

- ensuring appropriate regulatory settings around fisheries landings and discards;
- reviewing and amending the Emissions Trading Scheme to reduce barriers to forestry owners becoming part of the scheme; and
- making sure new animal welfare standards are fully implemented and clearly communicated.

Ease of business

People and business-focused regulations and services

We will improve the experience of interacting with MPI and its business units for our customers by making sure our regulations are easy to understand and comply with, and our services meet customer expectations and take less time and effort to access. Over the next four years, we aim to ensure:

- More of our services meet customer needs.
- We have increased customer self-service and resolution of enquiries.
- We have a more customer-centric organisational culture.

Capturing value

Growing prosperity through insight and innovation

We will help primary sector businesses to retain and realise more value as they grow the economy and generate greater wealth for New Zealand. Over the next four years, we aim to ensure:

- More primary sector businesses know how to access market opportunities and differentiate products in ways that generate greater wealth for New Zealand.
- We are supporting primary sector businesses to innovate.
- A domestic market for New Zealand forestry products is developed.

Supporting leadership

Enabling action in the primary and government sectors

We will work with other government agencies and support industry groups to lead the changes required in the primary sector. In particular, we will work with Māori to lift participation in the primary sector, and realise their economic, social, environmental and cultural aspirations. Over the next four years, we aim to ensure:

- A range of forums have been established to engage the primary sector in its transition to being more sustainable, resilient, adaptable and innovative.
- A fit-for-purpose forestry service is established with a strong regional presence.
- More Māori are participating in the primary sector and barriers to economic development are reduced, with a focus on development of land assets.

Engaging communities

Encouraging active, informed and involved communities

Engaged communities are likely to be more resilient in the face of change if they are connected, resourced and empowered to take part in decision-making that affects their environment, livelihoods, and way of life. Over the next four years, we aim to ensure:

- More New Zealanders know their role and how to take action in the biosecurity system.
- There are more channels by which New Zealanders can get involved in primary sector issues.
- The needs of rural communities, and in particular of Māori families and businesses, actively inform decision-making.
- More people are choosing careers in the primary sector.



System priorities

The sections that follow describe our focus for the next four years in the context of the systems for which we are responsible. Our four branded business units have a leadership role in the following systems:

- Biosecurity (led by Biosecurity New Zealand)
- Fisheries (led by Fisheries New Zealand)
- Food safety (led by New Zealand Food Safety)
- Forestry (led by Te Uru Rākau)

MPI is also responsible for overseeing the agriculture and animal welfare systems and undertakes significant work to support rural communities, develop primary sector skills, and encourage growth and exports through trade.

Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa



Biosecurity

Biosecurity is of fundamental importance to New Zealand. It protects our environment (including our taonga species) and human health, provides the platform for us to grow our economy through primary production, tourism and trade, and it allows us to maintain and enhance our way of life.

Biosecurity New Zealand – Tiakitanga Pūtaiao Aotearoa works to protect New Zealand from imported pests and diseases that pose a risk to New Zealand’s economy, environment, human health, and social and cultural wellbeing. The biosecurity system encompasses much more than what happens at the border. It is an interconnected series of activities that reduce or minimise risk at different points on the many pathways into New Zealand – boats and ships, cargo, passengers, mail, and environmental pathways (for example, wind, tidal currents, rain).

Biosecurity New Zealand also operates offshore so that pests and diseases do not arrive here. Together with MPI, Biosecurity New Zealand develops and monitors compliance with Import Health Standards, which set out measures to manage the biosecurity risks from imports. At the border, Biosecurity New Zealand verifies compliance with import requirements and intercepts risk goods. Within New Zealand, Biosecurity New Zealand prepares for, detects, and responds quickly to incursions when they occur, and manages the effects of pests and diseases that do become established in the country.

Biosecurity New Zealand leads the biosecurity system, but other parts of MPI – as well as a wide range of agencies, organisations, businesses and individuals – support the system, and all are critical to its success.

We work with border sector agencies, including the Ministry of Health, the Department of Conservation, and the Environmental Protection Authority, which have a range of statutory roles and responsibilities for decision making and operations related to biosecurity. We collaborate with regional councils on pest management, and work closely with their communities and organisations that have specific responsibilities for national pest management. In addition, we count on the efforts and vigilance of all New Zealanders to help us protect our unique environment.

Challenges and opportunities

At any given time, Biosecurity New Zealand is managing 30 or more biosecurity responses. In the past year, we have worked to control the spread of *Bonamia ostreae*, a parasite that can be fatal for farmed oysters. We have moved to long-term management of myrtle rust, an airborne fungal disease affecting plants including pōhutukawa and mānuka and now present in Taranaki, Waikato, Northland, the Bay of Plenty, and Tasman regions.

Mycoplasma bovis, a bacterium that can cause a range of serious conditions in cattle, is now the single most significant challenge to both biosecurity and the primary sector in New Zealand.

Kauri dieback, caused by the microscopic soil-borne fungus-like organism *Phytophthora agathidicida*, is another significant biosecurity challenge. It is spreading through kauri forests and killing trees. Kauri dieback has been found across the upper North Island.

As trade and tourism increases and diversifies, and global supply chains become more complex, New Zealand is exposed to increasing biosecurity risks. Approximately 3.65 million international visitors came to New Zealand in the year ended June 2017, and this number is expected to grow to 4.9 million by August 2023. The value of imported goods has risen 22 percent since 2008, and is now more than \$50 billion per year.

Climate change means pests and diseases that we have not previously seen as a threat may be able to establish themselves here. This could have serious implications for our native biodiversity, as well as the ability of our primary sector to access and be competitive in some overseas markets.

Focus for the next four years

New Zealand still has one of the strongest biosecurity systems in the world, but it needs to adapt to these increasing pressures. Biosecurity New Zealand, together with other system participants, works to strengthen the system to ensure it continues to respond to future challenges and opportunities. This includes leading implementation of the Biosecurity 2025 Direction Statement, which sets out the high-level strategic direction for all participants in the system.

In addition to progressing Biosecurity 2025, Biosecurity New Zealand is working towards the following objectives over the next four years.

Building resilience

Strengthen response and long-term pest management capability

Eradicating *Mycoplasma bovis*

We are working with the beef and dairy industries, and the wider farming community, to eradicate *Mycoplasma bovis* from New Zealand over the next 10 years. This will involve culling infected herds, and disinfecting contaminated farms. This approach provides support for affected farmers and communities through industry groups and rural support trusts, and we are working to ensure appropriate compensation payments.

Improving on-farm biosecurity practices

Mycoplasma bovis has demonstrated the importance of on-farm biosecurity practices in helping prevent the spread of pests and diseases. However, there is a wide range of requirements that farmers are expected to meet, and it can be difficult for businesses to understand and prioritise these responsibilities. Biosecurity New Zealand will work with other parts of MPI to investigate opportunities to support improved farm planning, including enhanced on-farm biosecurity.

Enhancing the NAIT system to support increased compliance

National Animal Identification and Tracing (NAIT) is New Zealand's animal tracing system, which is run by OSPRI New Zealand. A review in 2016 identified opportunities to improve the system's performance, and Biosecurity New Zealand will now work with OSPRI to

implement recommendations from the review findings and recent experience managing the *Mycoplasma bovis* incursion. At the same time, Biosecurity New Zealand and MPI are investing in additional resources to monitor compliance with the scheme.

Management of kauri dieback

Biosecurity New Zealand is leading a programme of work to accelerate protection for kauri dieback and implement a National Pest Management Plan. A new Kauri Dieback Strategic Science Advisory Group has been established, made up of experts from science organisations, tangata whenua and government agencies to contribute knowledge and experience to strengthen our efforts to protect kauri.

Establishing a sustainable funding model for future biosecurity responses

Biosecurity events can be unpredictable and escalate quickly. Biosecurity New Zealand, supported by other parts of MPI, will investigate options for an improved funding model that provides increased capacity to respond to future biosecurity incursions. The new model will better reflect the risks created by people or goods entering New Zealand, and the national benefits of an effective biosecurity response.

Improve offshore risk management

Improving processes for development and review of Import Health Standards

Import Health Standards specify requirements to manage biosecurity risks associated with imported goods. The standards are based on science and risk assessment, and facilitate trade by appropriately managing biosecurity risk. New Zealand's freedom from many significant pests and diseases means our import regime is one of the strictest in the world.



However, the risk profile of individual pathways is constantly changing as plants, regulated pests, or their vectors move around the world. Biosecurity New Zealand, supported by other parts of MPI, will undertake a review of the processes that underpin import requirements to ensure they are sufficiently agile to deal with the rapidly evolving threats New Zealand faces.

Ensure legislation supports a more effective biosecurity system

We will review the Biosecurity Act 1993 and other relevant legislation to ensure New Zealand has the right legislative framework to manage biosecurity risks and support compliance offshore and at the border.

Engaging communities

Make sure more people know their role and how to take action in the biosecurity system

All New Zealanders and visitors have a part to play in protecting New Zealand's environment. Biosecurity New Zealand will focus on supporting all New Zealanders and visitors to get involved. We will also support better biosecurity decision making by regional

councils, industry, and community groups by driving smarter use of science-led information and data.

The importance and enormity of the biosecurity task means that it is vital for every New Zealander to pitch in. Biosecurity requires a team effort where every New Zealander is informed and empowered to take action to mitigate biosecurity risks at home, at work, when they travel and within their communities. This is a key focus of Biosecurity 2025 – to build a biosecurity team of 4.7 million for all New Zealanders.

Baseline research completed in early 2018 shows that a large majority of New Zealanders have a good understanding of biosecurity and think it is important. However, the research also reveals that only a very small percentage of New Zealanders think that there are personal consequences for their lives when a biosecurity breach occurs, which suggests that they may not see biosecurity as personally relevant.

Over the next four years, Biosecurity New Zealand, in partnership with other system participants, will lead work to develop and strengthen an independent biosecurity brand that highlights to all New Zealanders the personal impact of biosecurity breaches. A wide range of partnership programmes with Māori, iwi and local community groups will support this, focusing on building awareness and capability and supporting locally led initiatives.




Fisheries New Zealand

Tini a Tangaroa

Fisheries

New Zealand's oceans and fisheries resources are a part of New Zealand's cultural identity and are important to our economy and environment. Fisheries are used for cultural, recreational, and commercial purposes. Many New Zealanders live close to the coast, and fishing plays an important role in the wellbeing of our communities. Māori have strong interests across all fisheries sectors, as tangata whenua, members of local communities, and commercial fishers. Collectively, wild capture fisheries and aquaculture generated \$1.8 billion in exports in the year ended June 2018, and employs over 16,000 people.

Fisheries New Zealand – Tini a Tangaroa manages these resources for the greatest benefit to New Zealanders, by protecting the long-term sustainability of New Zealand's wild marine fish stocks and the wider aquatic environment. This is primarily achieved through the Fisheries Management System, which sets catch limits and allocations, and implements measures to protect vulnerable species (such as Māui and Hector's dolphins) and aquatic environments.

We work with other agencies, iwi, the commercial sector, recreational fishers, environmental groups, and communities to balance competing economic, social and cultural interests in fisheries and aquaculture. We pay special attention to the interests of Māori, who also hold significant commercial interests, to give effect to their customary rights and maintain the special relationship between tangata whenua and their customary food gathering areas. We also work with the Ministry of Foreign Affairs and Trade and the Department of Conservation to negotiate standards and rules that support sustainable use of fisheries and protection of the marine environment, deliver on New Zealand's international fisheries obligations, support trade and market access for New Zealand, and support the sustainable development of fisheries in other countries, particularly Pacific Island nations.

The Fisheries Management System is underpinned by a significant science programme, which includes research surveys to estimate fisheries abundance, environmental assessments, and studies of marine biodiversity.

Fisheries New Zealand and MPI invest heavily in monitoring activity and encouraging and enforcing compliance with the law. Fishery officers patrol New Zealand's coastline, and fishing vessels are monitored at sea using satellite technology, aircraft, patrol boats, and fisheries observers. Fisheries compliance officers work with the New Zealand Defence Force within the exclusive economic zone, and high

seas patrols are undertaken periodically to inspect vessels fishing near our waters.

Fisheries New Zealand also advises the government on aquaculture issues, regulates land-based aquaculture, assesses the impacts of fishing on new marine aquaculture proposals, provides funding and expertise to support sustainable aquaculture development, and leads negotiations of iwi aquaculture agreements.

Challenges and opportunities

New Zealand's fisheries are facing a number of challenges. Issues include competition among users, environmental factors, customer and market demands for sustainability assurances, and a need for a more collaborative approach that allows for broader input and participation into decision-making.

There are also significant opportunities to increase the value and sustainability of New Zealand's fisheries and broader marine resources.

New and innovative fishing methods, information, and technology will lead to improved precision and effectiveness in fisheries management, and greater transparency. This should also mean more sustainable of wild fisheries stocks and a greater level of participation and support from all parties.

While aquaculture does not make up the majority of our seafood industry now, it is a significant sector demonstrating sustained growth. However, that growth needs to match community expectations and encompass strong environmental and biosecurity performance. It also needs certainty in consenting processes to support continued investment.

In order to support the fisheries sector to address these changes, Fisheries New Zealand needs to change how it does things too. This means greater innovation in the way we manage fisheries, greater engagement with stakeholders, and a focus on developing and implementing 21st century solutions to fisheries challenges.

Focus over the next four years

New Zealand's fisheries management system has served us well for the last 30 years, helped to rebuild fish stocks from the practices of the past, and is well regarded internationally. However, as our understanding of the

marine environment and society's expectations change, the performance of the system has come under increasing scrutiny.

We need to be innovative to respond to these challenges. Fisheries New Zealand is leading a change programme, which includes rolling out a new digital system for tracking, monitoring and reporting of commercial fishing, through electronic catch and position reporting across the full fishing fleet.

Fisheries New Zealand will be an enabler and a solution provider for the fisheries sector. We will work in collaboration with our Treaty partners and the full range of our stakeholders to find answers to the challenges facing the fisheries sector and the marine environment.

Increasing transparency

Ensure information about the management of our marine environment is more accessible

For the fisheries system to deliver, it needs to be trusted. We will focus on being a transparent, authoritative, and impartial source of information that people can trust. Fisheries New Zealand intends to improve transparency and encourage more trust in decision making through the proactive release of a wider range of information (excluding information that is commercially sensitive) about the state of our fisheries and the science that we use to inform decisions.

Make smarter use of science and data to support more responsive decision-making

The most significant programme of fisheries reforms since the introduction of the Quota Management System is in development. We will establish new legislative settings for more timely and agile decision making and inform those decisions with new research and data.

Digital monitoring is a key mechanism to ensure decisions are based on high quality information. When fully implemented, the digital monitoring system will enable Fisheries New Zealand to quickly and accurately measure commercial catch and effort, and identify when and where fishing happens. Use of new technology will provide a much wider range of data that can be used to inform more responsive fisheries management decision making, which will:

- increase our knowledge of fish stocks, the marine environment, and commercial fishing activity;
- meet the rising demand for information coming from New Zealand and international consumers;
- enable Fisheries New Zealand to better support research and the work of stakeholders; and
- assist New Zealand's move towards a more ecosystem-based fisheries management approach in the future.

Capturing value

Support more fishers to innovate

The infrastructure supporting innovation in the fisheries system is underdeveloped. The transition to a more sustainable future will require the sector to focus on more innovative technologies and precision harvesting practices to reduce bycatch and minimise environmental impacts. In turn, this will enable the sector and to leverage improved environmental credentials and development of differentiated and value-added market offerings. There is an opportunity to boost innovation, both below and above the water. Over the next four years, Fisheries New Zealand wants to investigate more ways to support fishers to access funding, connect with innovators and technology experts, and encourage uptake of new technologies and precision fishing practices from within New Zealand and overseas.

Engaging communities

Enable New Zealanders to have a wider range of ways to engage on how fisheries are managed

People throughout New Zealand care deeply about the marine environment. We need strong partnership with tangata whenua and to collaborate with communities and stakeholders. We will revise our consultation approach to provide information that is more accessible across a broader range of channels, and focus on being a transparent, authoritative and impartial source of information that people can trust. We will do this by simplifying and broadening access to information, and delivering regular reporting on our routine operational activity.

Building resilience

Ensure rules are simple, adaptable, and incentivise good practice

The fisheries and aquaculture management systems are complex and not all settings incentivise the best behaviours. We need to make it simpler to understand requirements. We need to ensure requirements drive behaviours that achieve the right outcomes. We will continue to work with industry and other stakeholders to ensure a smooth transition for commercial fishers to operate under new electronic catch and position reporting regulations.

Over the next four years Fisheries New Zealand, in partnership with MPI, will progress other aspects of the fisheries change programme, such as examining policy settings around landings and discards, ensuring that appropriate penalties and offences are in place, improving the agility of fisheries decision making, and once policy issues are addressed, consider the role of on-board cameras in verifying catch reporting.

Sustainable performance

Establish a pathway to improved environmental and ecosystem performance

The impacts of fishing and aquaculture on the ecosystem and environment generate significant debate. We will be proactive in managing these impacts and connected with other government agencies with related roles.

We will build a pathway and process towards ecosystem-based fisheries management. An ecosystem-based approach to fisheries management moves from managing individual fish stocks towards a more holistic approach that considers a broader range of species, and

how users interact with the environment. Key attributes of this model include greater input at the regional level (with iwi, industry stakeholders, recreational fishers, and communities), increased science to inform decisions and a detailed long-term strategy to direct and inform management activities. New Zealand has committed to moving towards ecosystem-based management by 2020, as one of its targets under the Convention on Biological Diversity.

We will also implement a National Environmental Standard (NES) for Marine Aquaculture. The proposed NES for Marine Aquaculture will provide a more efficient and certain consent process for managing existing marine farms within environmental limits and implement a nationally consistent framework for biosecurity management on all marine farms.



New Zealand Food Safety

Haumarū Kai Aotearoa



Food Safety

New Zealand has a world-leading food safety system, based on international best-practice science, risk assessment, and management. It protects consumers from foodborne disease, and is vital to New Zealand's reputation as a trusted supplier of safe and suitable food. The food safety system extends from "farm to fork", and encompasses all food and beverages for human consumption, pet foods, farm animal feed, and agricultural compounds and veterinary medicines.

New Zealand Food Safety – Haumarū Kai Aotearoa works to maintain the integrity of our system by ensuring the right regulatory requirements are in place to support businesses to make safe and suitable food for New Zealand and its export markets. We also ensure the authenticity of food products. We monitor, audit and verify compliance with regulatory requirements to provide assurance to export markets on behalf of MPI (which is the internationally recognised competent authority). Where necessary, New Zealand Food Safety will enforce compliance with the regulatory requirements.

While MPI has overall responsibility for food legislation, there are a number of areas where responsibilities intersect. New Zealand Food Safety has a co-regulatory role with territorial authorities under the Food Act 2014 to ensure food safety. We also work closely with the Ministry of Health, which has responsibilities for advising the government on matters of nutrition and health. New Zealand Food Safety and MPI also work with Australia, with which New Zealand shares a joint food standards system.

Challenges and opportunities

There are a number of challenges facing New Zealand's food safety system. Preventable foodborne infection continues to be an issue, with an estimated 200,000 cases of foodborne illness here every year. Globally, the diversity of foods available and their sources are increasing significantly, and the supply chain is becoming more complex. Consumers want to know more about the origins of our food and its composition than ever before. Fraudulent and criminal activities pose risks to the safety of imported food and to the reputation of New Zealand products if they are targeted. The increasing pace of technological developments may both improve existing foodstuffs and establish entirely new food production and processing systems. This is driving a more complex global regulatory environment.

The emergence of new products (such as alternative proteins) has the potential to impact on significant export markets we have come to rely on. Consumer preferences

are changing and there is demand for more sophisticated information about the origin of food and the ethical, environmental, and health credentials of products. Meeting these expectations will be critical to a value-focused strategy based on the integrity of the New Zealand brand. Investment in science, research and innovation are increasingly important if our primary sectors are to continue to grow export revenue.

The cultural value of kai has its roots in the act of *manaaki tangata* – the giving and receiving of hospitality. New Zealand Food Safety has worked with Māori to develop resources that support the production of safe kai on marae and when cooking in a hāngī. Over the next four years, we seek to improve the participation of Māori across all aspects of our activities. For example, MPI's recent science work to develop the definition of mānuka honey demonstrates the value that can be gained through protecting the integrity of our exports. There could be opportunities to consider the value that could be created for defining kai sourced from indigenous plants such as kānuka, rātā, and pōhutukawa.

Focus over the next four years

The food safety system is a complex and challenging operating environment, and the way we deliver our services, particularly to small and medium-sized businesses, can have a significant impact on their success. We must balance supporting innovation with overseas market entry requirements, and respond to emerging threats. We also have a responsibility to ensure food continues to be safe to consume for all New Zealanders. Another focus area will be ensuring consumer choice through better composition and labelling of foods. This relates to aspects such as authenticity, making healthy choices, and protection from allergies.

Building resilience

Ensure rules are more responsive, adaptable, and incentivise good practice

Food safety law reform

We will continue to improve food safety rules and regulations. The final stages of the Food Act 2014 Implementation Programme will progress and the Food Safety Law Reform Act 2018 will be implemented. The Food Safety Law Reform Act 2018 amends the Animal Products Act 1999, the Food Act 2014, and the Wine Act 2003 to strengthen compliance and enforcement tools

and support a consistent approach across all three regimes. It also enables regulations to enhance traceability obligations, set recall requirements and deal with situations where food and medicines converge (such as with dietary supplements).

Improving standards and labelling

To ensure that New Zealand's food safety system is responsive to domestic and international markets, New Zealand Food Safety will progress work to implement robust standards that underpin the integrity of our products (including for mānuka honey and organics), and we will support moves by overseas authorities to accept that our systems provide them with sufficient assurance of the safety of our products. We will also work on key issues such as sugar and alcohol labelling.

Ensure the food system is well positioned to respond to emerging threats and trends

Antimicrobial resistance

Antimicrobial resistance (AMR) is a rapidly evolving, serious global public health threat. It also has the potential to seriously affect animal health and welfare outcomes. There is an increasing body of evidence that infections resistant to antimicrobials (which includes antibiotics and other anti-microbial agents) can readily spread between people and animals. MPI and the Ministry of Health are implementing a joint Action Plan to determine the extent of AMR in New Zealand across the primary and human health sectors and the level of transmission between sectors. This plan also includes actions that raise awareness of the threat and reduce the misuse and overuse of antimicrobials.

Inadvertent chemical contamination of food

Unexpected exposure to chemical hazards via the food supply is an inevitable consequence of a modern and complex food supply. New Zealand Food Safety and MPI must remain constantly vigilant in identifying and assessing any foodborne risks that might be associated with chemicals that have contaminated food via the natural environment (for example, through contamination of waterways) or during production and processing.

Imported foods

Every country in the world is grappling with the increasingly complex supply chain and stronger consumer demand for information about the origins of food and its composition. We will investigate new controls over the importation of food and claims of content.

The future of food

The use of emerging technologies in food production will challenge traditional food production methods that underpin the New Zealand primary sector. New Zealand

Food Safety is working with industry to identify the impacts of technology (such as *The Evolution of Plant Protein – Assessing Consumer Response* released by MPI and Plant & Food Research) and to identify ways to create additional value from traditional New Zealand products.

Ease of business

Make sure more of our services meet customer needs

We are building on what we have learned from the Food Act 2014 Implementation Programme and the Exporter Regulatory Advisory Service to develop services that meet our customer needs. Customer feedback and insights have identified that food businesses (particularly those that are small, in the regions, or that export) find it challenging to navigate what are often complex requirements. We are engaging with our customers to better understand how we can provide particular services that many of our customers find difficult or confusing. This is helping us develop a prioritised programme of work where we will analyse service delivery from a customer perspective and redesign the way we deliver those services to improve the customer experience.

Over the next four years, we will expand this approach to a much wider range of services. While we are starting with a food safety focus, we will extend this work to other parts of the organisation over time. We will focus on simplification of processes we identify through our research as presenting particular challenges to customers, making information easier to find and understand, and increasing the number of services we deliver online or through digital channels.

Capturing value

Support more primary sector businesses to access market opportunities and differentiate products in ways that generate greater wealth for New Zealand

Consumer assurances

New Zealand Food Safety is making progress in the field of food-product traceability, definition, and standardisation. Although representing a small section of New Zealand's export market, recent issues with mānuka honey have demonstrated that there are significant risks to New Zealand's market competitiveness if the perception of the "produced in New Zealand" brand is undermined. On the flipside, there are also real opportunities for value-led growth if the brand is underpinned by robust regulation and government-backed assurances.



Te Uru Rākau
Forestry New Zealand



Forestry

Forestry contributes to building a sustainable and economically vibrant future for New Zealanders. Investing in forestry delivers economic, social and environmental benefits, including climate change mitigation, improved biodiversity, improved fresh water quality, erosion control, and logs, lumber and other forest products for domestic and export markets.

Te Uru Rākau – Forestry New Zealand is focused on strengthening the contribution of forestry to the economy, and in particular regional development.

The Government has set eight challenging goals for forestry that Te Uru Rākau will progress over the next decade. These are:

- creating one vision for all of New Zealand for forestry through comprehensive economic and civic engagement;
- enabling Māori to achieve their forestry-related economic and cultural development aspirations;
- supporting sector and regional productivity increases to capture full market value;
- driving a shift towards a more sustainable forestry industry with better environmental and climate change outcomes for New Zealand;
- creating a stable investment environment enabling greater investment confidence in the forestry sector;
- enabling a strong, stable and reliable labour market that enables safe and rewarding lifetime careers in forestry;
- developing a stronger domestic market for wood products and security of supply for wood processors; and
- facilitating the transition to a low carbon economy through replacing petroleum-based products with wood-based products and enabling carbon farming.

The One Billion Trees programme contributes to regional economic development and provides a unifying vision for New Zealanders. It will support business-as-usual planting as well as partnerships with community groups, government agencies, local government and landowners to plant trees in areas where wider social, environmental, and regional goals can be achieved. The programme includes joint ventures with landowners, and grants and partnership funding to incentivise tree planting. Activities include the supply of high quality seedlings, skills development, support for innovation, and advice and support for landowners.

Crown Forestry is a directorate within Te Uru Rākau that manages the Government's existing forestry assets. It has been mandated to establish commercial joint

venture forests on leased land, where there are currently limited commercial drivers for investment. These joint ventures will diversify income streams for regional landowners and provide employment opportunities for regional communities.

The Emissions Trading Scheme (ETS) will drive commercial forestry investment, which is one of the most effective levers we have to drive tree planting and discourage deforestation. The ETS has a vital role to play in enabling New Zealand to meet its climate change targets. Planned improvements to the ETS will ensure that it is more streamlined, accessible and flexible, and gives users more confidence and certainty to invest in forestry and wood processing.

Challenges and opportunities

The contribution of forestry is expected to grow in significance as the world more urgently addresses the problem of climate change. It will play a significant role in moving New Zealand towards a low emissions economy by absorbing atmospheric carbon, and by providing renewable replacements for fossil-hydrocarbons in our economy (for example, wooden building products, biofuel and cellulose).

The global demand for wood is increasing, but only 5 percent of the world's timber comes from sustainably managed plantation forests. New Zealand has a competitive advantage in forestry: we grow softwood trees quickly and have efficient supply chains in place.

There is an increasing volume of wood coming up to harvest age, due to large-scale planting in the 1990s, and harvesting will peak in 2022. Since the 2000s, planting levels have been low (100,000 hectares were planted in 1994, reducing to 4,000 hectares in 2017). There is uncertainty about whether all small lot holders will replant, and their forests make up an increasing proportion of New Zealand's forestry estate. While recent surveys of forestry owner replanting intentions suggest a high proportion will replant, a stable investment environment is important for providing confidence to the sector to replant harvested forests, and plant new trees.

Forestry provides an economically viable use for less productive land, and helps landowners to diversify income streams. Forestry grants will not only drive timber production, but are expected to support tree planting for emerging industries such as the mānuka honey industry, and tree planting for environmental and

social outcomes. Commercial crops of suitable indigenous trees such as tōtara and exotic trees such as eucalyptus and redwoods will also be supported, as alternatives to pine.

As extreme weather events become more frequent, the resilience of our communities will be put to the test, and sound land-use decisions will become increasingly critical. Te Uru Rākau will support the industry to transition to more resilient management of commercial forests, addressing issues such as sedimentation and debris movement.

Public interest in improving the health of our rivers and streams, and improving biodiversity, will provide impetus for community tree planting initiatives. Currently nine million non-commercial trees are planted across New Zealand each year for landscaping, riparian planting, planting for biodiversity, and erosion control. By providing funding to cover costs of fencing, pest and weed control, and supplementary planting, Te Uru Rākau expects to increase indigenous forest planting and assisted regeneration significantly.

Focus over the next four years

The Government's broad intent is to reinvigorate and diversify the forestry sector so it provides greater opportunity, particularly in regions, and broader outcomes. In addition to short-term benefits such as employment (through tree planting and forest management), investment in the forestry sector will deliver medium-term benefits (from wood processing and exporting) and long-term benefits including climate change mitigation, environmental services and renewable fuel. Forestry will also support more sustainable use of land, water and other natural resources, and increase biodiversity.

Sustainable performance

Significantly increase planting of the right trees in the right places

The One Billion Trees programme will incentivise new forest planting. The programme target includes a mix of forest types including indigenous, new rotation forests and a broader range of exotic trees.

The National Environmental Standards for Plantation Forestry was launched in 2018, and we will review its impact in the coming years. Amongst other things, it provides councils with a framework to identify areas unsuited to planting or replanting. Te Uru Rākau will continue to work with industry and forest researchers to improve forestry management practices, mitigating the risk of environmental damage from severe erosion and slips.

Review the forestry components of the Emissions Trading Scheme

The ETS is New Zealand's key climate change policy tool to reduce greenhouse gas emissions. The ETS requires all sectors of New Zealand's economy to report their emissions. Emitters can buy emissions units that they can surrender to the government to cover their emissions. Having a price on emissions incentivises investment in lower emissions technologies and practices. Forests can generate emissions units because they absorb carbon.

The ETS was introduced to help drive the emissions reductions required to meet our climate change commitments under the Kyoto Protocol, and to support global efforts to reduce greenhouse gas emissions. The ETS rules for forestry participants were designed with these outcomes in mind.

A review of the ETS completed in 2017 identified some key issues with the overall ETS, and its forestry rules, and indicated a range of potential improvements. MPI, working with Te Uru Rākau, has developed a package of proposals to improve the ETS for forestry participants and support a significant increase in afforestation. These proposals will be consulted on, and if progressed will include changes to:

- better align domestic accounting in the ETS with our international approach to accounting for forest carbon;
- recognise the emissions mitigation from harvested wood products; and
- improve incentives for planting rotational (harvested) forests, and native and other permanent forests.

Capturing value

Ensure a domestic market for New Zealand forestry products across the supply chain is developed

Log exports have been growing due to strong demand, particularly from China, and this is expected to continue. Strong export log prices are positive for forest owners and support the replanting necessary for maintaining future log supply. However, strong export log prices are putting increasing pressure on some domestic wood processors (particularly small to medium-sized operations). Over the next four years, Te Uru Rākau will explore ways to increase the security of domestic log supply, and enable the domestic wood processing sector to generate greater regional development and employment.

Supporting leadership

Ensure the primary industries are engaged to lead the transition to a more sustainable, resilient, adaptable and innovative primary sector

The Forestry Ministerial Advisory Group will provide independent industry insights, which brings together experts from across the forestry system to ensure that Te Uru Rākau activity is aligned with the needs of industry and the community.

Establish a dedicated forestry service with a clear strategy and a strong regional presence

It is anticipated that the Government will take decisions on the long-term organisational arrangements for Te Uru Rākau in late 2018. Regardless of the outcome, the investment in Te Uru Rākau enables a focus on forestry that strengthens the Government's ability to foster sustainable economic prosperity in the regions. Over the next few years, Te Uru Rākau will develop a Future Forests Strategy to set out the Government's priorities for forestry over the next ten years.

Support Māori to develop primary sector assets

Te Uru Rākau and MPI are working together to investigate ways to support Māori to use their land and other assets more productively and develop further ownership of the primary sector value chain. There are a number of barriers to the effective use of Māori freehold land. For example, advice and support available to Māori landowners is often fragmented, inaccessible or just not suitable. Over the next four years, we will improve the quality of advice and provide tools to assist Māori to

address the barriers to greater productivity for their land. This will encourage diversification of land-use, and grow the resilience of Māori agribusinesses.

Engaging communities

See more young people choose careers in forestry

Te Uru Rākau and MPI are working together with industry to develop a work programme to help ensure the forestry sector has the capability and capacity to support the One Billion Trees Programme, and succeed over the long term. The key areas of focus for the work programme are improving forestry sector employment conditions; supporting more young people who are not in employment, education or training to move into forestry sector employment; and building a stronger skills pipeline for the industry.

A number of initiatives are already underway, such as pre-employment programmes supported by the Ministry of Social Development and the Ministry of Business, Innovation and Employment. These include He Poutama Rangatahi (HPR), which targets communities with rangatahi at risk of long-term unemployment, and Mana in Mahi (Strength in Work), which aims to help people who have been on a benefit for six months or more, particularly those aged 18–24, to get into work and gain a qualification. Four HPR forestry initiatives have been approved, and a Forestry Scholarship Scheme for women and Māori enrolling in either a Bachelor of Forestry Science or a Bachelor of Engineering in Forestry is underway.

The first Primary Industries Good Employer Awards, which recognise employers who are demonstrating good practices in the forestry sector, will be presented later this year.





Agriculture

Agriculture is the largest of the primary industries, and makes an important contribution to the economic and social wellbeing of New Zealanders. The agriculture sector is a major employer, providing jobs for one in three people in some regions. Māori are also key contributors to New Zealand's agriculture sector, owning 30 percent of lamb production, 12 percent of beef and sheep units, 10 percent of kiwifruit, and 10 percent of dairy production.

MPI's role in agriculture is to develop policy and regulations for agricultural industries: dairy, meat, wool, horticulture, viticulture, apiculture, and the arable sector, and to work with industry to ensure they have access to a wide range of markets. MPI supports the primary sector and its communities with advice on land management, responses to climate change and recovery from adverse climatic events.

MPI is at the forefront of work on agricultural climate change, especially the mitigation of biological emissions, and provides funding for the New Zealand Agricultural Greenhouse Gas Research Centre, the Global Research Alliance on Agricultural Greenhouse Gases, and the Sustainable Land Management and Climate Change Research programmes. MPI also helps drive the shift towards value-added, innovative and environmentally sustainable agricultural products through funding other types of research, grants and programmes.

MPI supports regional and Māori economic development by investing in programmes and working closely with Māori to develop their primary sector assets sustainably, own more of the value chain, and address challenges such as access to capital, infrastructure, water, and expertise.

MPI and its business units work closely with other government departments and industry organisations to ensure that the labour market and the education system help to meet the needs of the primary industries. We do this through grant programmes and regional initiatives, and by contributing to other significant government agency initiatives, such as the Ministry of Education-led review of the vocational and educational training system, and the Sector Workforce Engagement Programme. Our Future Skills programme aims to help meet future capability by enabling New Zealanders to have a better understanding of the primary sector and the broad range of career opportunities available.

Challenges and opportunities

Over the past two decades, New Zealand agriculture has become more productive and, in some areas, more intensive. This has placed particular pressure on the quality of our soils, and waterways.

Climate change is affecting ecological habitats and biodiversity, and increasingly land productivity, with the frequency of severe weather events. There is also a growing tension between our need for arable land for food production and land for housing supply.

Globally, demographic and economic challenges are placing increasing pressure on the demand for natural resources. In New Zealand, a shift towards more efficient and environmentally sustainable agricultural practices is enhancing the primary sector's social licence to operate and its ability to get better returns through trade. Globally, there is a rising divergence in public opinion about the treatment of animals, which has impacts on animal-based production.

While agricultural emissions make up a substantial proportion of New Zealand's total, this problem will be faced by an increasing number of countries as they reduce the carbon dioxide emissions from their energy and transport sectors. At the same time, global food demand will increase through growing and wealthier populations.

Focus over the next four years

Agriculture plays an important part in MPI's strategy. Coming up with new ideas, approaches, and technologies that enhance our environmental and animal welfare performance and lead to new, value-added products is how the sector will continue to contribute to New Zealand's prosperity and success. MPI will develop strategies that support primary producers to address climate change and other pressures on natural resources. Three key elements are the use of farm plans, farming systems change support, and supporting land-use-change decisions.

Sustainable performance

Support farms to improve performance and to have plans in place to manage environmental, biosecurity and animal welfare responsibilities

Improved on-farm planning

Some farmers and growers are currently managing their land in a way that supports the Government's objectives, and are becoming more resilient to a changing climate. For example, 34 percent of 4,000 farmers who completed the Rural Decision Makers survey in September 2017 had a farm environment plan in place. For others, adapting to these pressures will be challenging, but an early start to the transition will likely be less costly and disruptive overall.

Farmers are subject to multiple regulatory and trade requirements for environmental, biosecurity, animal welfare, food safety, and health and safety, and are expected to report on performance. Primary sector groups and other industry organisations have implemented environmental performance programmes, particularly in response to pressures from new regulation, markets and from the public to demonstrate that primary produce, especially food, meets safety and quality standards and that farm practices are environmentally sustainable. Regional councils are increasingly requiring farm "environment" plans to implement the National Policy Statement for Freshwater Management.

All of these requirements can be confusing, are time consuming and create compliance costs for farmers. Over the next four years, MPI will work with government agencies, farmers and industry groups to assess the benefits of a farm planning approach that reduces barriers to uptake and aligns with existing initiatives. This includes exploring a process or framework, along with better data sharing and management, to reduce the burden on farmers and growers facing a plethora of planning and reporting requirements.

Farming systems change

MPI will make an important contribution to the Government's efforts to support the dairy sector's transition from growth and expansion to a more sustainable, profitable and value-oriented future through a Farm Systems Change project. There is significant potential for the dairy sector to find a production level that respects environmental and societal limits, without compromising economic outcomes. The project focuses on building on positive activity within the sector and on ensuring farms have the support they need to make practical on-farm changes as an important complement to any regulatory change.

Extension services

A new extension services model will be piloted to target and reach farmers who are underperforming, as well as stronger performers who may need specialist support to get to the next level. MPI will work with interested parties including industry organisations to learn from existing initiatives like Extension 350.

Review of the Dairy Industry Restructuring Act 2001

On 9 May 2018, the Government released the terms of reference for a review of the Dairy Industry Restructuring Act 2001 (DIRA). The terms of reference set out the objectives, scope, approach, and process for the review. They also provide background information on the original purpose and form of the DIRA regulatory regime.

The focus of the review is on the effectiveness of the DIRA regulatory settings and their impact on the performance of the dairy industry, when considered in terms of economic, environmental and social performance indicators. The DIRA review and its impact on the performance of the dairy industry forms a part of the Government's wider package of work aimed at addressing climate change, biodiversity, water quality, and sustainable land use. MPI will complete the review and make recommendations to the Government about changes that should be made to the DIRA regulatory settings, with a view to drafting a bill for passage in 2019.

Support primary producers to address the impacts of climate change

Key to the response of the primary sector will be to diversify agricultural operations, so that businesses are resilient to a wider range of climate impacts. To support some of the more fundamental change that will be required over the medium term, MPI will work with farming communities and sector groups to better understand:

- the social and behavioural barriers, motivations and enablers to land-use change;
- the pace and scale of change that can realistically be managed by the sector;
- the cumulative impact of different policy interventions, climatic changes, and market changes; and
- how change can be managed in a way that enhances community resilience and cohesion, and provides for thriving rural economies; and the most effective way for Government to support this change.

Increasing transparency

Ensure information about the environmental performance of farms is more accessible

Overseer is a trusted on-farm decision support tool that helps enable farms to be environmentally and economically sustainable. It supports national water quality and climate change objectives, increases farm efficiency, promotes farmer ownership of environmental management, and supports growth in the value of our primary sector exports. MPI will work with Overseer Limited to analyse future uses of Overseer and the implications of this for its funding, development, and governance. This will help Ministers to make choices about Overseer's future uses.

Make reliable science and information readily available to local authorities and primary producers to inform planning and decision-making about land use

MPI will develop new and extended geographic data to improve land-use decision making. Blocks of data about specific areas of land such as water storage, soil quality and suitability will be used to identify changing suitability for alternative uses. This may include conversion of land that is currently being used for dairy farming to a kiwifruit farm, or the preservation of potentially highly productive land for agricultural development rather than allowing it to be incorporated in increasing urban sprawl.

Capturing value

Support more primary sector businesses to access market opportunities and differentiate products in ways that generate greater wealth for New Zealand

Ensuring market access

MPI works to keep overseas markets open to New Zealand's products through ensuring our assurances regime meets the standards required of overseas authorities and we maintain our status as an internationally recognised competent export authority. We also must do work to combat non-tariff barriers such as sanitary and phytosanitary barriers, import quotas, unnecessary testing and border clearance processes designed to prevent or delay trade. MPI will continue to develop the technical expertise of our offshore presence and the development of agreements and cooperation programmes with trading partners.

Market intelligence

This year MPI and Plant & Food Research released a joint report: *The Evolution of Plant Protein – Assessing Consumer Response*. The report was commissioned to highlight the potential impacts on our agricultural industry, and aims to assist agriculture and food businesses to identify ways to create additional value for traditional New Zealand products. Over the next four years MPI will commission and share more research on consumer trends and potential market opportunities to support primary sector businesses to create long-term strategies to protect, to innovate, and to grow our primary industries.

The work of MPI's Economic Intelligence Unit (EIU) will also help exporters identify and quantify emerging market trends in consumer purchasing. Data and tools developed by the EIU will build insights and market intelligence information, which can be used to support trade negotiations and related activities. The EIU provides services across all of the systems for which MPI is responsible.

Support primary sector businesses to innovate

The recently announced Sustainable Food and Fibres Futures investment fund is an amalgamation of two of MPI's predecessor funds – the Sustainable Farming Fund and the Primary Growth Partnership. The new fund has the same innovation focus that the Primary Growth Partnership had, but can now be accessed by a wider range of businesses. The fund is specifically seeking applications that prioritise product value over volume and those that support collaboration and greater information sharing.

Supporting leadership

Support industry groups to actively lead change required for a more sustainable, resilient, adaptable and innovative primary sector

Creation of the Primary Sector Council will provide independent strategic advice to the Government on the primary sector, and develop a sector-wide vision. The primary sector is currently experiencing a range of challenges, such as changing consumer expectations and disruption from new technologies. The Council will support the primary sector to navigate these challenges and maximise future opportunities. Issues for consideration are likely to be around sustainability, industry development, Māori agribusiness, future value creation, technological innovations, global markets, social licence and rural resilience.

Enhance Māori participation in the primary industries

MPI developing a strategy and work programme to help Māori agribusinesses realise their economic potential in the primary industries. The focus is on reducing barriers for Māori economic development by investigating ways to:

- increase access to information and expertise about land utilisation and development options;
- help Māori agribusinesses to move along the value chain;
- build capability and knowledge between Māori agribusinesses and industry;
- increase opportunities for Māori to explore trade and other international relationships that create greater exposure for Māori agribusiness; and
- increase capability to include Māori issues early in policy and regulation development.

Engaging communities Deliver for rural communities

The aspiration for rural communities is that they are healthy, vibrant, resilient and sustainable. If this is successfully realised then rural communities will continue to contribute to the success of New Zealand's primary industries, and the success of New Zealand society as a whole.

We will work to ensure that rural communities thrive in the face of emerging challenges by providing a rural perspective in government decisions and ensuring and investing in the regions. All investment funding and programmes are required to demonstrate positive benefits for regional development. This can be through helping rural communities to address agriculture-related environmental issues, contributing to job creation by helping to build new primary sector companies, or facilitating Māori communities to access customary resources or develop their own businesses.

Rural communities face unique challenges that must be recognised and reflected in government policy. Climate issues such as drought, floods, cyclones, and biosecurity incursions all have the potential to create stress across rural New Zealand.

Ensure the needs of rural communities, and in particular of Māori families and businesses, are actively informing decision-making

MPI has developed guidance to help policy makers consider rural perspectives during policy development and implementation. A “rural proofing” requirement that is now included in the development of major policy initiatives, asks policy makers to take into account the rural community's low population density, isolation, and reliance on the primary sector for employment. Going forward, the rural proofing concept will influence our own policy making. MPI will also promote the rural proofing concept to other policy setting agencies through providing collateral and support such as:

- guidance;
- seminars;
- case studies;
- field trips; and/or
- forums.

We will also continue to improve the resilience of rural communities, and support community wellbeing through adverse event recovery assistance and mental wellness support.

See more people choose careers in the primary sector

A more highly skilled workforce (particularly in science, engineering, technology and management) is required to take advantage of scientific and technological developments, respond to increased regulatory requirements for land and water use, address challenges like climate change and capitalise on changing consumer expectations. The primary sector employs around 1 in 7 people, and up to 1 in 3 people in some regions.

We want the primary sector to be oversubscribed with a diverse range of talented people, excited about the range of career opportunities and the role they can play in transforming the primary industries into a future-focused, sustainable and innovative sector.

Over the next few years, we will undertake initiatives to identify likely future roles within the primary sector, and make sure young people are aware of the full range of careers available. Education and employment conditions must be responsive to the needs of the modern work environment, including a strong focus on increasing diversity and retention. To be successful, this work will require close collaboration with education providers, employers and local communities.





Animal welfare

MPI is responsible for New Zealand's animal welfare system, which establishes the obligations that owners and people in charge of animals must meet in caring for animals. This system encompasses all animals, from livestock and companion animals to wild animals. MPI develops policy on the humane treatment of animals, and is responsible for the regulation and enforcement of animal welfare standards. MPI participates in the ongoing animal welfare debate. It also works to protect the "made in New Zealand" brand, and New Zealand's reputation as a safe and humane food producer.

As well as legislation and regulations, many groups, sectors, and industries in New Zealand have a role in helping people protect and enhance animal welfare. MPI works in partnership with the Society for the Prevention of Cruelty to Animals (SPCA), which focuses on the welfare of companion animals.

Challenges and opportunities

In the animal welfare system, societal expectations are increasing both in New Zealand and overseas. There is a growing appetite amongst consumers to buy products that reflect their beliefs or values. Those who consume premium animal products are looking for robust evidence of good practice that they can trust. On-farm practices are likely to come under increased public and consumer scrutiny. Alternative and lab-grown proteins will appeal to some consumers for animal welfare reasons.

External markets hold New Zealand to a high standard as a trusted provider of food and animal products, and overseas buyers audit New Zealand farms for compliance against animal welfare standards. Ensuring compliance with animal-welfare laws and regulations is important for retaining the integrity of our brand and market access.

Public awareness of animal welfare issues is growing and this is leading overall to an escalation in the number of complaints received by MPI year-on-year. Climate change also affects animal welfare. For example, in areas where there has been medium-scale to extreme drought, farmers may have had limited options to mitigate impacts such as stock feed deficits due to low pasture cover and poor summer crops, the cost of supplying supplementary feed, reduced frequency of milking, or delays in scheduling stock into meat works.

Focus over the next four years

In a context where New Zealand is endeavouring to increase access to high-end international markets where integrity of production commands a premium, strong animal welfare practices enhance our reputation as a responsible producer of animals and animal products.

Increasing transparency

Increase compliance with new animal welfare standards by ensuring requirements are clearly communicated to primary producers.

Greater transparency across the animal welfare system is a priority for all those who play a role in the Animal Welfare system. This includes MPI, the SPCA, the National Animal Welfare Advisory Committee, the National Animal Ethics Advisory Committee, and animal-based industries. The Associate Minister of Agriculture released a Framework for Action on Animal Welfare in New Zealand in June 2018. This includes a transparency outcome that aims to ensure that "everyone knows what and why decisions are made, and has opportunities to participate in setting standards for the future of animal welfare".

MPI's work to date has focused on improving the regulatory framework surrounding animal welfare in New Zealand. Recent successes with the regulatory work programme include the Animal Welfare (Calves) Regulations 2016 and the Animal Welfare (Export of Livestock for Slaughter) Regulations 2016. During 2017 MPI worked to progress a further package of regulations relating to stock transport, farm husbandry, companion and working animals, pigs, layer hens, crustaceans, and rodeos. Most of the new regulations come into force on 1 October 2018. Regulations around disbudding and dehorning cattle have been delayed until 1 October 2019 to give animal owners and practitioners (veterinarians and contractors) time to prepare.

Over the next four years, MPI will focus on embedding these new regulations and ensuring that standards are clearly communicated and understood by those in charge of animals. One of the ways we will do this is by continuing to support the Safeguarding our Animals, Safeguarding our Reputation programme, which is about improving voluntary compliance with animal welfare laws.

Activities include:

- developing resources to support farmers and veterinarians;
- educating people who work with production animals through workshops and conferences; and
- improving awareness and use of the codes of welfare.

Building resilience

Ensure rules are more responsive, adaptable, and incentivise good practice

While New Zealand's animal welfare system is highly regarded globally, and a suite of new regulations are now in place, we cannot be complacent. National and global expectations about what is acceptable animal welfare are changing. We need to continually improve our animal welfare system in order to maintain our

international standing. Even isolated cases of poor animal welfare can have a negative effect on our reputation as a responsible producer of animals and animal products. Over the next four years, MPI will pursue changes to support the Framework for Action for animal welfare in the following four key areas:

- **Transparency:** Everyone knows what and why decisions are made, and has opportunities to participate in setting standards for the future of animal welfare.
- **Strengthening codes:** Standards are lifted beyond the minimum, and are underpinned by effective monitoring and compliance.
- **Capacity building:** People in charge of animals believe animal welfare matters, and have the skills and capacity to meet their animals' needs.
- **Independent voice:** Advice on animal welfare is future-focused, timely, trusted and well informed.





Supporting the trade system

Primary sector exports are a vital contributor to New Zealand's economy, and drive improvements in productivity, employment and incomes. Trade is critical to the Government's success in improving the wellbeing of New Zealanders – and we need to ensure that the benefits of trade are shared.

MPI has significant influence over the export opportunities available to New Zealand's primary industries and their ability to maximise those opportunities. Working with the Ministry for Foreign Affairs and Trade, MPI negotiates access to overseas markets for New Zealand's primary products, and acts as the competent authority for giving assurances to overseas regulators on New Zealand's primary sector exports.

MPI participates in negotiating multilateral trade agreements and taking actions under those agreements. MPI contributes to the development and implementation of bilateral free trade agreements and the establishment of international standards. It also manages the regulatory certification systems, giving overseas markets confidence that New Zealand is meeting its market access requirements.

Challenges and opportunities

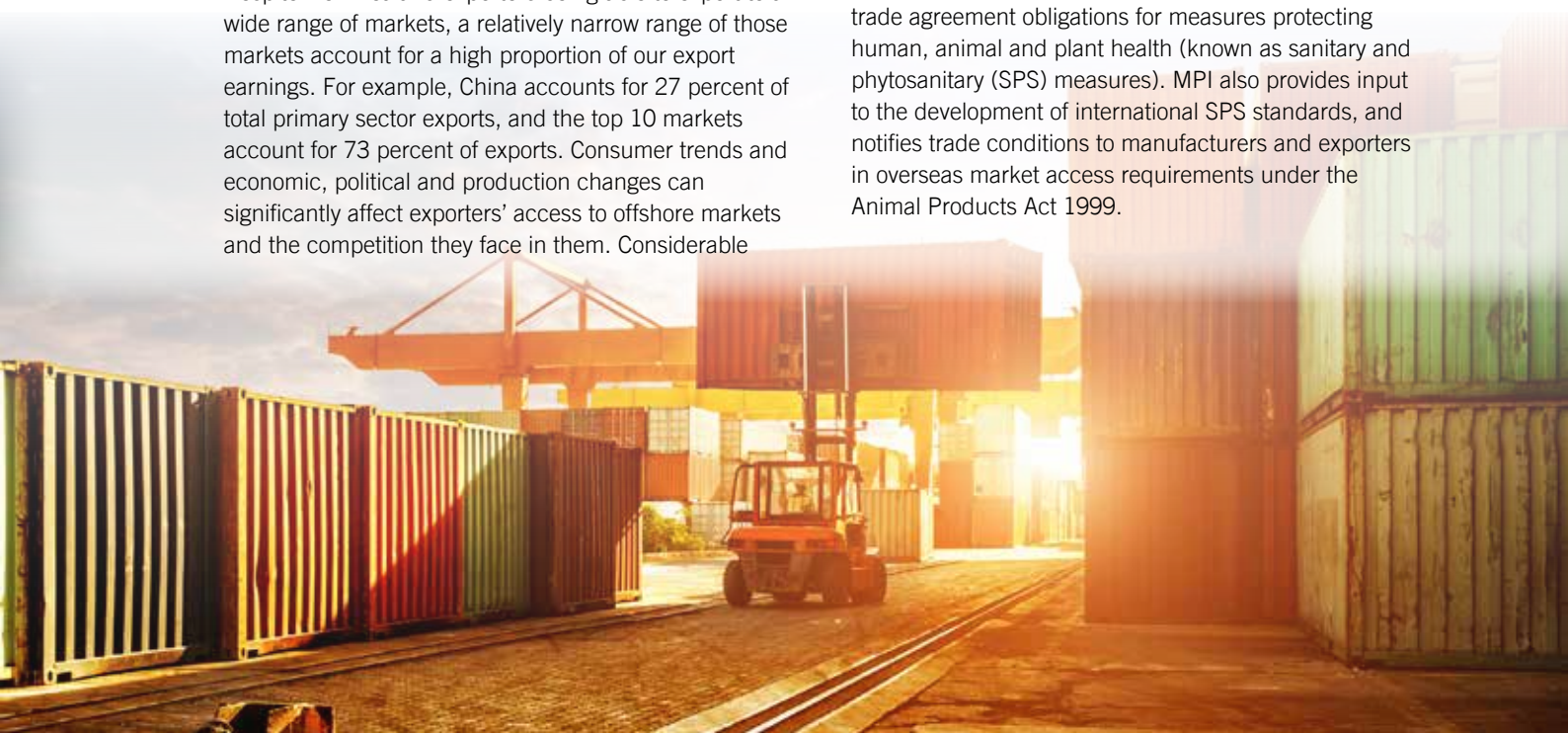
Despite New Zealand exporters being able to export to a wide range of markets, a relatively narrow range of those markets account for a high proportion of our export earnings. For example, China accounts for 27 percent of total primary sector exports, and the top 10 markets account for 73 percent of exports. Consumer trends and economic, political and production changes can significantly affect exporters' access to offshore markets and the competition they face in them. Considerable

MPI resources are therefore focused on maintaining and enhancing current market access. There are also opportunities to expand trade to a broader range of markets to reduce volatility, particularly in the face of risks of increased global protectionism and competition. MPI works closely with the primary sector to identify and prioritise market access work to enable these opportunities to be realised.

Producers also face new areas of competition from entirely new products (for example, plant-based meat) that compete with traditional agricultural products. There are also new routes to market that companies need to compete in. While also an opportunity, the rise of e-commerce is disrupting traditional retail channels, particularly in markets like China. This creates different supply chains, which may require changes to regulatory systems, and will fundamentally shape how companies develop and position their products with consumers.

Focus over the next four years

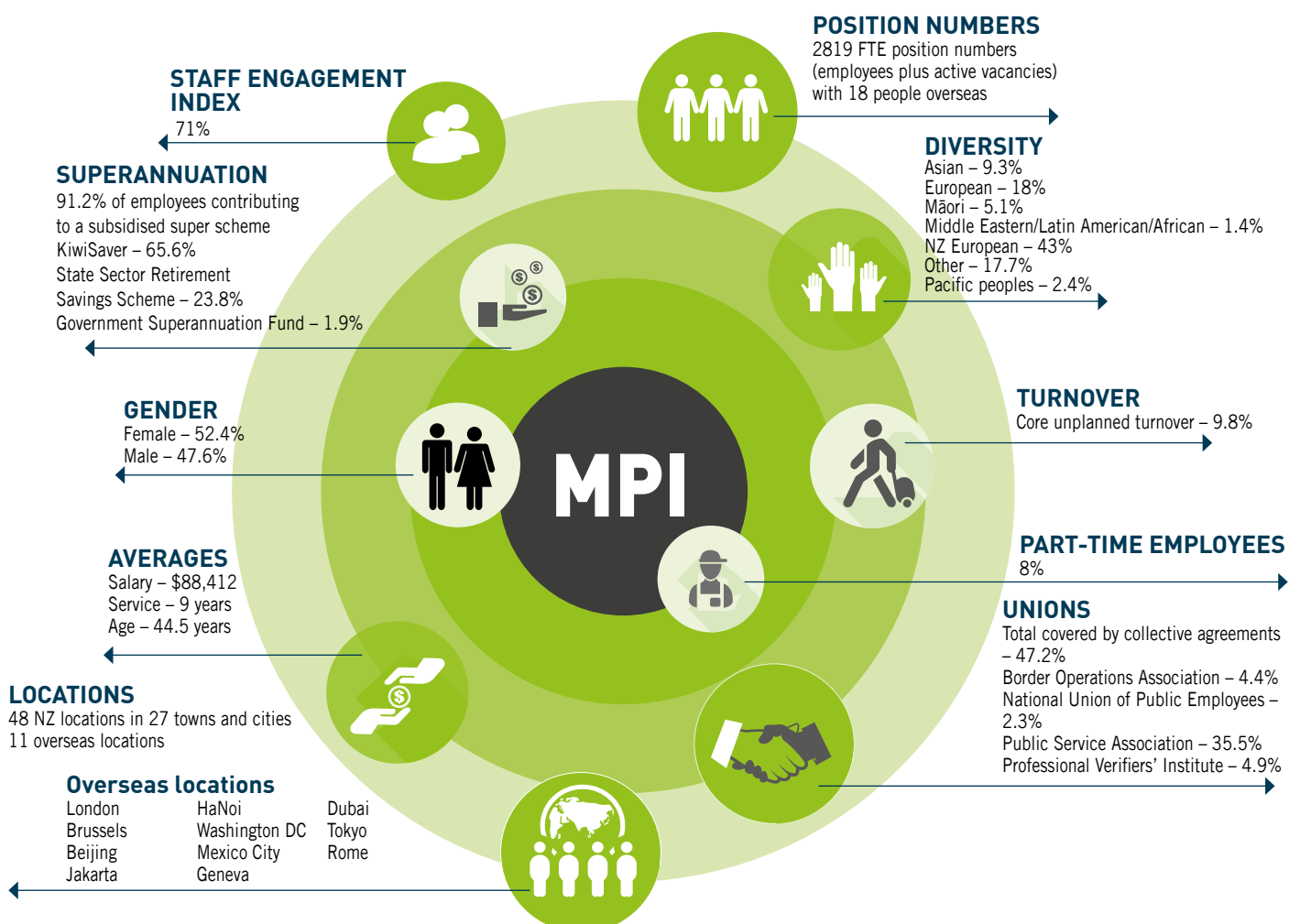
MPI will continue to secure market access for New Zealand's primary products by negotiating, maintaining or improving trade conditions. This role is underpinned through MPI official assurances (certificates) being accepted by overseas counterpart agencies and our work to ensure compliance with free trade agreement obligations for measures protecting human, animal and plant health (known as sanitary and phytosanitary (SPS) measures). MPI also provides input to the development of international SPS standards, and notifies trade conditions to manufacturers and exporters in overseas market access requirements under the Animal Products Act 1999.



Strengthening our organisation to deliver

In total, MPI and its business units currently have approximately 2,800 people working in more than 60 locations in New Zealand and overseas. Our workforce is deployed at the border, and around the regions and coastlines of New Zealand. Internationally, we currently have 18 positions in 11 countries in Asia, Europe, the Americas, and the Middle East. International staff are seconded to MFAT for the duration of their placements, and are based at New Zealand embassies and consulates. These staff work primarily on market access and trade relationship management.

Our people as at 30 June 2018



The way we work

We have made significant progress in our organisational capability over the past few years due to the investment and focus placed on developing our people. Many of the foundation pieces are in place, with attention now turning to ensure our people and leaders are equipped for the challenges of the future.

Promoting a more customer-centric organisational culture

MPI is interacting with more customers, more often than ever before, because of increasing volumes of both exports and imports, and a steep rise in travellers to New Zealand. The experience of our customers shapes MPI's reputation, the challenges our staff face, and progress against the outcomes MPI is trying to achieve.

There is significant scope to improve our understanding of what drives compliance from a customer perspective. Most people and businesses want to get it right, first time. In addition to making compliance easier, we can learn more about different audiences, behaviours, and barriers to compliance. This requires a more deliberate focus on the skills and capabilities of staff to lead such work, and support from operational teams to enable them to succeed.

As part of our Ease of Business focus, we will work over the next four years to enhance the skills and capability of our staff to be customer focused. We will start by undertaking a survey to understand how the organisation's values are lived and experienced by employees, and the impact values have on ease of doing business for customers and colleagues. The outcome will be a set of clear priorities and actions that MPI can take to leverage our organisational values and systems to impact on ease of doing business – with customers and colleagues.

Embracing diversity and inclusion

A recent external Diversity and Inclusion review showed that MPI and its business units are well on the way to becoming diverse and inclusive working environments. The review reflected a largely positive and inclusive culture; the majority of the respondents rated their workplace as a place where differences are fully embraced and valued. The next steps are to implement a Diversity and Inclusion framework, which will guide this work across MPI and its business units. Two main areas of focus will be growing the representation of Māori and increasing the number of women in leadership positions.

Ensuring equal pay and opportunities is an important element of our diversity and inclusion focus. Equal employment opportunity principles are incorporated in all relevant policies and practices and are reviewed regularly to ensure these preclude any bias in their operation. A number of work-life initiatives play a role in enabling people to perform to their best abilities, while recognising their commitments outside of work.

We will help to close the gender pay gap through our Diversity and Inclusion work programme. These activities include:

- expanding recruiting practices;
- ensuring talent management practices reflect key diversity and inclusion practices;
- convening employee reference groups;
- building capability of staff and managers in the areas of unconscious bias, emotional intelligence, and diversity and inclusion awareness; and
- offering initiatives that actively target key diversity groups to promote their development (for example, women into leadership roles).

Alongside these initiatives, we will continue to review general human resources processes and practices and try to understand more about how occupational segregation, age and tenure are driving the gap.

Supporting modern ways of working

We are rolling out an extensive Modern Workplace Programme, which will strengthen our work environments so they are more relevant to today's changing world and enable staff to work in modern ways. The Modern Workplace Programme will improve facilities and systems, and is about making it easier for staff to do their jobs. When it is complete, staff will be working better together, with improved tools, in a safer environment.

The goal is to have workplaces that:

- give more choice about how and where we work;
- support staff to be more connected and flexible;
- make the best use of the space available; and
- enable performance over presence.

Staff are being brought together where there are multiple offices in the same location. Construction of a new Auckland building that brings together several workplaces has been completed, as has the refurbishment of the Christchurch premises. Work is underway to refurbish Charles Fergusson Tower in Wellington, with the relocation of staff to occur early in 2019.

Strengthening our internal capabilities

We will continue to review and improve staff and organisational capabilities to keep up with the challenges of a changeable and demanding operational environment, and to ensure that we can provide the services required to deliver our strategy.

Using emerging technologies

An Information and Technology Strategy has been developed to support the alignment of ICT investments with our business strategies, objectives and business models, and will shape how information systems develop. The strategy provides a guiding pathway on how we will continually evolve our digital capabilities and

make our services easier to use by all our internal and external customers.

We will focus on adapting our services and transforming in a way that utilises the right emerging technologies – technologies that will benefit our systems, and will exploit our data to benefit the primary sector and wider New Zealand.

Alongside the Modern Workplace Programme, work is taking place to lift staff productivity by adopting and embedding the use of technology. We have identified a need to improve our performance using digital tools, and to do this we need to foster an environment that encourages innovation. This includes investing in and implementing the right mobile technologies, which will be the platform by which front-line workforces can be mobilised. Mobilisation will ensure that all of our staff have secure access to the information they need to do their jobs, when and where they need it using an appropriate device. It will also ensure information about the primary sector is easily available to staff, customers, stakeholders and the public.

Improving our data management and analysis

Having data and information that is accessible, reusable and understandable will enable more informed decision making within MPI and its business units, and across the primary sector. We have developed a Data and Information Strategy, and work is underway to ensure we have the capability we need to realise the opportunities that exist for better use of data and information. We will focus on:

- improving our records and information management;
- defining the roles and responsibilities of data stewardship;
- developing a centralised system for capturing and referencing our critical master datasets;
- supporting the transformation of our data and information;
- ensuring we get value from our information and tools;
- ensuring our Data and Information Strategy plays a role in funding and other organisational decision making; and
- ensuring that the Data and Information Strategy remains aligned with our needs.

Championing science and innovation

The Primary Sector Science Roadmap: Te Ao Tūroa guides our support for scientific research. This provides an integrated, shared view of future science needs and opportunities for MPI and the primary industry, and it is a critical starting point for aligning science across the primary sector more effectively. It is part of the Government's overall strategy for the science system, and it aligns with the Government's wider Conservation and Environment Science Roadmap. Continuing value-led growth will require ongoing investment in research and product development, new practices

across the supply chain, and a sustained commitment from businesses to embrace change.

Managing and continually improving our regulatory systems

Together, MPI and its business units represent one of New Zealand's largest regulators. Maintaining our role as the internationally recognised authority to carry out a number of functions for the primary sector is a foundational element of what we do.

As the competent authority, we manage regulatory systems for biosecurity, food safety, animal welfare, fisheries management, forestry and the ETS. We have a programme of continual improvement for the performance of our regulatory systems, which includes drawing on international best practice.

The Government and the public sector face a future where dealing with uncertainty while delivering affordable services, is the new normal. Regulators also need to keep up with the pace of change in technology. In addition, influences outside of government are likely to have increasingly persuasive power over policy and regulatory decisions. MPI and its business units need to adapt to this changing regulatory environment.

Lifting our strategic financial capability

The role of finance is fundamental to achieving our strategy. Strong strategic financial capability is needed in order to support good planning, decision making, implementation and monitoring. We need to have a better understanding of the impacts of spending decisions, so that we can make better choices about which options will make the largest contribution to chosen goals.

Our financial management work programme focuses on making it easier to manage our finances through the provision of efficient and effective financial systems and processes.

To ensure strong financial discipline in the organisation, MPI has developed an integrated investment process for the funding of key work programmes. This will create a stronger connection between our funding decisions and our internal planning processes, ensuring that we are making good investment decisions. Aligning funding with project milestones will enable a staged funding process, where funds are released only upon the completion of key milestones. For example, release of budget funding is dependent on providing a project implementation plan that outlines how and when the funding will be allocated, as well as the expected benefits.

We will also listen to, and be guided by, our internal customers to build a system that works for them in making the best possible policy, operational and staffing decisions.

Working with others to deliver our strategy

To achieve our strategy we need to collaborate with others. We work with a wide variety of government agencies, regional councils, industry groups, iwi, and communities, both onshore and offshore.

Collaborating across sectors

Our work spans across multiple sectors. We have important roles to play in the natural resources, border, export and science sectors, and we work closely with a wide variety of government agencies, regional councils, industry groups, iwi and communities, both onshore and offshore. We are focusing on key strategic relationships, developing shared work programmes, and practical deliverables with other agencies.

MPI is part of the Natural Resources Sector – a group of agencies involved in the management and stewardship of New Zealand’s natural resources. We collaborate with other agencies on climate change science and policy and operating the forestry parts of the ETS. MPI also co-leads the Global Research Alliance on Agricultural Greenhouse Gases.

MPI works closely with Customs, MBIE and the Ministry of Transport to manage New Zealand’s border. The Border Sector Ministerial Group (including the Minister for Biosecurity and Ministers of Immigration and Customs) provides leadership and strategic direction. The Group comprises the Chief Executives of MPI, Customs, MBIE, Ministry of Transport and the Department of Internal Affairs, and provides the mechanism for co-ordinated border management in New Zealand.

MPI’s is also the monitoring agency for the New Zealand Walking Access Commission, the Crown entity responsible for leading and supporting the negotiation, establishment, maintenance and improvement of walking access over public and private land.

Growing our engagement with Māori

Engaging with tangata whenua has always been an important element of the work we do. Māori agribusiness is a key component of MPI’s strategic goals – supporting the growth of the Māori economy will also support the growth of New Zealand’s economy. Māori economic development and regional development are inseparable. We will continue to prioritise this and strengthen our capabilities in this area.

We will continue to support projects focused on sustainably increasing the productivity of Māori-owned primary sector assets. An example of this is the Māori Agribusiness: Pathway to Productivity programme. This programme is dedicated to collaborating with Māori to sustainably increase the productivity of their primary sector assets such as agriculture, horticulture, forestry, or seafood that are in collective ownership. It has a specific focus on tangible on-the-ground projects that will lead to increasing their productivity.

Growing our engagement with the public

Public awareness of the role that MPI and its business units play in the primary sector and in our environment, economy and our communities continues to grow. Ensuring public trust in the work we do for New Zealand is important. We will continue to deliver external communications and engagement programmes to support delivery of our organisational strategy, building trust in our regulatory systems, and making compliance with the rules as simple and easy to understand as possible.



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