OSPRI

ANNUAL OPERATING PLAN
JULY 2017—JUNE 2018

ANNUAL OPERATING PLAN

This is the Annual Operating Plan for OSPRI New Zealand Limited, NAIT Limited, TBfree New Zealand Limited and the NAIT Data Access Panel.

OSPRI New Zealand (OSPRI) was established on 1 July 2013. It currently manages the National Animal Identification and Tracing (NAIT) and TBfree New Zealand programmes.

OSPRI New Zealand's shareholders:

OSPRI New Zealand's Stakeholders' Council comprises representatives from:

Beef + Lamb New Zealand

Dairy Companies Association of New Zealand

DairyNZ

Deer Industry New Zealand

Federated Farmers Dairy

Federated Farmers Meat and Fibre

Local Government New Zealand

Meat Industry Association New Zealand

Ministry for Primary Industries

New Zealand Deer Farmers Association

New Zealand Stock and Station Agents Association

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THE PAST 12 MONTHS

The past year has seen OSPRI continue to embed the change programme that began in 2015. Central to this been ongoing work to complete a significant organisational restructure and respond to new programme requirements. Three key drivers have been:

1. A reduced revenue model for the TBfree programme and amendments to the TB Plan's objectives;

2. The need to find efficiencies in how OSPRI delivers its core programmes and activities, and;

3. The need to structure the organisation in a way that better meets the needs of shareholders and programme users.

OSPRI has addressed these drivers and delivered a significant reduction in corporate costs. Underpinning this has been a reduction from 163 permanent staff to 106, and from 19 contractors to five between 2015 and 2017.

Despite these changes the company has continued to maintain high levels of service and meet OSPRI's programme requirements. Moving on from this period of change the company is now strongly focused on a 'back to basics' strategy that delivers continual business improvement.

Spending has been reduced and more tightly targeted for both operational and administrative activities. As a result a surplus is forecast at year end for both TBfree ($2m) and NAIT ($3m). It should be noted that this will coincide with a proposed deficit budget for the TB programme for purposes of addressing the continuation of larger operations to meet TB Plan objectives, alongside the corporate determination to shift to outsourced infrastructure support for the current ICT services while application support remains in-house.

Contributing factors to the overall outcome for the financial year include:

• Reduced corporate costs;

• Deferral of some operational and corporate costs until the completion of the NAIT review;

• IT outsourcing model with costs moving out to 2017/18, which is expected to produce a significant benefit over the longer term in terms of reliability for OSPRI's remaining ICT services and application level support;

• Deferral of operations spending due to weather and other operational design changes.

Our focus on demonstrating continual business improvement has also seen us seek to improve outcomes in our other corporate services areas.

Work to improve our corporate services includes greater focus on joint extension activities, continuation of targeted Contact Centre services alongside enhanced and streamlined processes to reduce administrative burdens and changes in the delivery for strategic and risk-driven health and safety activities with service providers and contractors. Notable Company policy changes also include the substitution of quad bikes and Robinson helicopters with safer modes of transport, and ensuring that all remote workers have two-way communications, wherever they are working.

DELIVERING OSPRI'S CORE PROGRAMMES

In the first year of the amended TB Plan introduced in 2016, OSPRI has continued developing and implementing the key policies to meet TB eradication goals. This work builds on the previous success where TB was eradicated from wildlife ahead of target across 1.6 million hectares of the targeted 10 million hectares of TB Vector Risk Area (VRA).

This progress, based on sound research and operational improvements led to agreements of the new plan objectives. A fundamental component of the Plan implementation has been the development and delivery of the National Operational Plan (NOP). This plan has since been approved by the Minister for Primary Industries.

The NOP guides the delivery and management of the TB Plan by specifying:

- TB Plan objectives, with milestones and analysis of when and where they will be achieved:

  – Eradication of bovine TB from New Zealand by 2055;

  – TB freedom in possums by 2040;

  – TB freedom in livestock by 2026.

- High-level outlines of disease-control methods and technical specifications.

- Livestock testing and movement control processes and obligations.

A key change introduced by the NOP has been the development of more than 100 individual local plans to eradicate TB through TB management areas (TMAs). This has been a significant undertaking for OSPRI and has required cross-company expertise and resource since work began in October 2016.

TMAs are areas of similar habitat, disease patterns, geography and control history. Each TMA has a specific and detailed local plan designed to eradicate TB as efficiently as possible by a target date. These details are being used to create the TMA notices being sent to landowners across New Zealand. The new approach will significantly improve public awareness about the timing and locations of our pest management work. The forward planning element of TMAs will also allow us to work with key stakeholders to identify opportunities for future collaboration in pest management.

THE PAST 12 MONTHS CONT'

During the year work has also been ongoing to develop a more targeted risk-based testing approach and implementation strategy. The focus on this work will continue in the coming year with an initial trial to test and validate the approach across high risk infected herds and through a pilot with the deer industry. Alongside this we will focus on the integration of TB testing data with NAIT for purposes of individual animal and premises status assignment in accordance with movements that will enable enhanced surveillance and monitoring.

Another notable achievement has been the implementation of the differential slaughter levy facilitating the collection of industry-specific revenue for funding the TB Plan.

OSPRI's pest management teams have continued to deliver operational work to a high standard across the country with the 2016/17 programme of work delivered on time and within budget. On top of this, the company was involved in helping the Department of Conservation deliver the Battle for Our Birds campaign. This work involved 11 different operations and pest control carried out over 390,000 hectares. Our involvement in this has been an important example that shows how OSPRI's expertise can add value to the wider industries in which we operate.

Faced with a significant reduction in staff to manage the NAIT programme (down from 15 in 2015/16 to four in 2016/17) we have continued to effectively manage the application and associated systems. System enhancements have increased performance by 40 per cent with improved ease and reliability for programme users.

Alongside this work an important focus for the past year has been on supporting the NAIT review. This work has seen us provide considerable technical input, advice and general support in the development of a series of key policy papers for consideration by the NAIT review Technical User Group and Steering Committee, alongside industry agencies and government. Pending the recommendations and final outcomes of the review OSPRI will assess the response to the recommendations (and have projected costs and services accordingly), and will continue to build our capacity to ensure we can effectively support the NAIT programme.

We have also continued to work with the Red Meat Profit Partnership and Silver Fern Farms on the electronic animal status declaration (ASD) project. This project has focused on developing and testing technology for farmers to complete and submit ASD forms electronically to meat processors by smartphone or internet.

Discussions remain under way as to timing for the Pilot, with a move to extend this while considering the approach for industry implementation in the longer term. As part of this work OSPRI has submitted a business case outlining how the company could support the implementation and potential costs and benefits associated with the full programme. This remains under discussion and consideration by the eASD reference group and its representative industry agencies – including the Ministry for Primary Industries.

This is just a brief overview of our work during the past year with a summary of key highlights outlined below. The full details of our activities and achievements from 2016/17 will be published in our next Annual Report scheduled for release in October.

KEY HIGHLIGHTS FROM 2016/17

3,764,483
ANIMALS REGISTERED IN NAIT

83,326
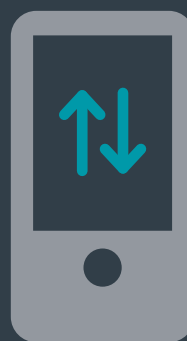FARMERS REGISTERED WITH NAIT

7,130,146
MOVEMENTS RECORDED IN NAIT

TB INFECTED HERDS AS AT END OF MAY 2017

50

5.5 MILLION HECTARES
COVERED BY PEST CONTROL ACTIVITIES

CONTACT CENTRE

64,631
INBOUND CALLS

51,246
OUTBOUND CALLS

9,600
AVERAGE TOTAL CALLS PER MONTH 2016/17

COMPARED TO APPROX 16,000 IN 2014/15 & 2015/16

300 PEST CONTROL CONTRACTORS SPENT ALMOST
300,000 HOURS CHECKING OVER
340,000 TRAPS AND INSPECTING
40,000 DETECTION DEVICES

REVOCATION OF 230,000 VECTOR RISK AREA HA IN THE FIRST YEAR OF THE TB PLAN (BRINGING TOTAL TO 7.9 M HA SINCE 2011)

TB INFECTED HERD PERIOD PREVALENCE OF 0.11 AS AT END OF MAY

ABOUT OSPRI

OSPRI is sole shareholder of TBfree NZ Ltd and NAIT Ltd, which are the statutory management agencies for the TBfree and NAIT programmes respectively.

THE TBFREE PROGRAMME

To date, progress towards the ultimate objective of eradicating the disease from New Zealand has been better than expected. Investment associated with the TBfree programme is directly channelled into major areas of service delivery as follows:

- **Disease management**
  Key activities include livestock TB disease surveillance through slaughter premise post-mortem monitoring and TB testing. There is also provision of diagnostic services for cattle and deer herds, case management of herds diagnosed with TB infection, and monitoring and controlling the livestock movement to prevent disease transmission through movement of potentially infected livestock. There is also analysis and reporting of results and, where necessary, slaughter of livestock with compensation payable to the owner.

- **Pest management**
  Eradication of TB in wildlife is delivered through an intensive, targeted possum control programme, wildlife surveillance, field operations and monitoring, post-mortem analysis and diagnostics, and industry and community engagement and liaison.

- **Research and programme development**
  Fundamental and applied research is carried out to support the control and eradication of TB in wildlife and livestock, animal health and disease analysis, testing methodologies and diagnostics, with related activities to provide a scientific basis for programme design.

- **Corporate and Contact Centre support**
  OSPRI uses a range of mechanisms to ensure that farmers, stakeholders and other affected parties are well-informed about the TBfree programme, activities and operations.

The amended TBfree programme, developed through joint industry, scientific and government consultation during 2015, aims to achieve:

- Biological eradication of TB from New Zealand by 2055;

- TB freedom[1] in livestock by 2026; and,

- TB freedom[1] in possums by 2040.

The above targets are to be achieved while ensuring the annual infected herd period prevalence remains at or below 0.2% throughout the term of the plan.

The new TB Plan provides a range of advantages, including:

- A clear goal for full eradication of TB from New Zealand;

- A reduced level of expenditure – ($60m average, from $80m) due to new approaches to testing and pest control;

- Streamlined funding arrangements that give greater funding security and greater flexibility.

Efficient delivery of the TB Plan will be achieved through more targeted risk-based approaches to livestock TB disease management and pest control, which will leverage improved monitoring, data availability and research outcomes.

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1   Defined as statistical confidence that the disease is no longer present in the animal population

THE NAIT PROGRAMME

NAIT Ltd was established through a partnership between the beef, deer and dairy industries and the Ministry for Primary Industries (MPI). NAIT Ltd is a subsidiary of OSPRI New Zealand Ltd. The NAIT system was established to implement an effective lifetime traceability system for its livestock and animal products (currently cattle and deer) and the system provides the capacity to:

- link people, property and livestock;

- record and demonstrate lifetime livestock and livestock product traceability;

- Contribute to New Zealand's ability to prepare for and respond to animal health, food safety and biosecurity incursions.

There are three main drivers for the NAIT system:

- **Biosecurity**
  The implementation of an effective livestock traceability system enables New Zealand to respond to a biosecurity incursion or exotic disease event by tracing suspect or infected livestock and locating, prioritising and treating suspect or infected premises or animals.

- **Food safety**
  New Zealand must be able to provide assurance to local and overseas markets about food safety standards and product integrity through traceability of livestock and the associated property of origin of those products.

- **Market assurance and access**
  New Zealand needs to provide assurance to both local and overseas markets and customers of the attributes associated with livestock product integrity and wholesomeness, for which traceability is a clear enabling requirement.

OSPRI delivers the NAIT programme to achieve these objectives through a range of activities as prescribed in the NAIT Act (2012) including:

- Overseeing policy, standards development, licence provision and accreditation;

- Supporting NAIT animal registration, data entry, movement/transaction recording;

- Providing government, industry and customers with reporting, alongside undertaking general monitoring and evaluation activities;

- Providing and maintaining a secure, current and credible database;

- Providing extension, field and service support for implementation, policy and system issues;

- Communicating NAIT requirements and promoting programme uptake and adoption;

- Providing resource and input to livestock trace-back exercises facilitated by government;

- Providing input to, and integration with, the whole of chain livestock traceability system for domestic and export products.

THE ANNUAL OPERATING PLAN

STAKEHOLDER ENGAGEMENT

OSPRI is committed to working with its stakeholders to achieve efficient application of agency and levy funds through its programmes and service delivery. This is enhanced by the focus on increasing co-investment and collaboration in areas of traceability, animal health, and biosecurity and pest management. OSPRI regularly engages with the Ministry of Primary Industries, the Department of Conservation, local government, industry agencies and community groups.

These engagements and collaborations ensure that industry and government funding of OSPRI programmes is appropriately and effectively invested to deliver maximum impact.

A range of key consultation processes support OSPRI and provide advice on its investment and operational activities and services. These include, but are not restricted to, regular engagement with:

- **OSPRI investors and shareholders** (DairyNZ, Beef + Lamb NZ, Deer Industry NZ, the live animal export industry and the Ministry for Primary Industries) in six monthly and annual planning and budget discussions;

- **Ministry for Primary Industries (MPI)** to ensure that OSPRI continues to demonstrate effective management of the statutory TBfree and NAIT programmes and that appropriate policy and programme activities are undertaken in a timely manner. OSPRI meets with MPI meet to discuss and agree on programme reporting requirements, strategic planning and to proactively share information.

- The **OSPRI Stakeholder Council** to gain agreement on investment focus and the key activities concerning the development and delivery of the TBfree and NAIT programmes. The Stakeholder Council also provides advice to support the overall governance and service delivery of OSPRI.

- The **TBfree and OSPRI Committees** for purpose of outreach and extension, and to ensure that advice is obtained at local level on behalf of the farming community.

PLANNING FOR THE FUTURE

OSPRI undertakes regular evaluations of its programmes and outputs, including independent reviews. Last year, reviews were undertaken of OSPRI's health and safety programme, service procurement approach and information technology security. This year, the OSPRI internal assurance programme is proposed to be developed alongside a review of professional development implementation, and a review of communications to support TB operations.

CONTINUOUS BUSINESS IMPROVEMENT

Since the TB Plan review, OSPRI has embarked on a reorganisation of its functions and operations to support this new long term plan. OSPRI aims to ensure greater efficiency in the delivery of the TB operations programme, alongside longer term planning and investment towards the defined eradication goals. OSPRI has sought to provide greater transparency in its overall service delivery approach, and has formalised engagement with a number of stakeholders and interested groups.

IMPROVED COMMUNICATIONS AND ENGAGEMENT

OSPRI has sought to continuously improve its communications and overall stakeholder engagement. These processes and activities will be described in the new OSPRI Corporate Communications Strategy 2017–2020. This strategy will present OSPRI's approach in relation to communication methods, messaging and approaches, key stakeholder priority focus areas and communication delivery and implementation mechanisms.

OSPRI has introduced a number of new initiatives, including:

- Factsheets and frequently asked questions (FAQs) notices;

- Searchable information resource library;

- The new OSPRI website intended to be launched at the commencement of the 2017/2018 financial year;

- TB Management Area Notices concerning operations and proposed eradication timelines;

- Aerial operations, community meetings, factsheets and notices (continuation);

- Delivering targeted and seasonal TBfree and NAIT updates through social media channels;

- Increased collaboration and dissemination of information through shareholders' communications channels.

- TB management extension publications, including material covering:

  – Wildlife surveillance and control;

  – The identification and management of TB in livestock;

  – TB diagnosis and infected livestock management options;

  – Eradication methods and approaches;

  – The utilisation of 1080 and other control methods, and evaluation of their environmental and other impacts;

- The development of a NAIT notice programme following the NAIT review;

- Webinar and video publications, including introduction to TB (the disease) and the impacts of TB in the livestock sector, outline of the TB Plan, training for the eASD Pilot, and overview of OSPRI's programmes and supporting investment on behalf of industry and government;

- Collaborative training for users of NAIT applications and those with roles and responsibilities in relation to inspection or verification of animal health, welfare and disease status in the government and livestock sectors.

OSPRI'S KEY FOCUS AREAS 2017/18

This Annual Operating Plan (AOP) sets out OSPRI's priorities, activities and projects for the 2017/18 financial year. This AOP underpins the OSPRI Strategic Plan and should be read in conjunction with OSPRI's 2017/18 Budget.

1.
DELIVERING NEW ZEALAND'S NATIONAL ANIMAL IDENTIFICATION AND TRACING PROGRAMME (NAIT)

2.
CONTINUING THE ERADICATION OF BOVINE TB

3.
VALUE ADD FOR INDUSTRY, GOVERNMENT AND THE COMMUNITY

4.
BUILDING TRUST AND CONFIDENCE IN OUR PROGRAMMES

5.
DEMONSTRATING CONTINUAL BUSINESS IMPROVEMENT

OSPRI FOCUS AREAS AND PRIORITIES

HELP PROTECT AND ENHANCE THE REPUTATION OF NEW ZEALAND'S PRIMARY INDUSTRIES

ENGAGE AND BUILD TRUST AND CONFIDENCE

Extension and training
Technical information
Industry collaboration
Community engagement

DEMONSTRATE CONTINUAL BUSINESS IMPROVEMENT

Health and safety
Corporate governance
Risk management
Financial and process management
Programme and project deliver

VALUE ADD FOR GOVERNMENT & COMMUNITY

eASD programme
Integrating TB and NAIT
Supporting traceability
Industry pest management collaboration

MAINTAIN AND ENHANCE NAIT

Develop performance, monitoring and reporting processes | System enhancements
Accreditation and device standards
Mobile application | NAIT review

ERADICATE BOVINE TB

TB Management Areas | Risk-based testing
Post-movement testing and inspection regime
Measuring and monitoring progress
Enhancing TB investigation approaches
Implementation of the new veterinary case management system

○ Purpose

● Focus areas

● Priorities

FOCUS AREA #1
MAINTAIN AND ENHANCE NEW ZEALAND'S NATIONAL ANIMAL IDENTIFICATION AND TRACING SYSTEM (NAIT)

OSPRI seeks to ensure NAIT is implemented in a manner that supports its stated aims as prescribed in the NAIT Act (2012) and in terms of its objectives to underpin traceability, food safety, and biosecurity and market access across the livestock supply chain. Notwithstanding the obvious challenges associated with implementing a nationwide RFID system for livestock, the past three years has seen continual improvement in the major metrics associated with system uptake and movement recording.

In 2015/16, NAIT reached the finalisation of its three-year transition period. The focus since inception of the programme has been on communication and encouraging uptake of the system. In 2016, a review of NAIT was initiated by OSPRI for purposes of evaluating progress and performance against its original stated aims. While it was noted that 3–4 years of implementation represented a reasonably short timeframe before the consideration of review, it is also appreciated that there are some key business rules and legislative provisions that could be enhanced for more user-friendly, practical and economically appropriate uptake across industry.

The NAIT review is continuing. Issues under discussion have included tag retention, tag supply and distribution, upload of NAIT movements, definition of premises (location), linkage with movement documentation, tag identification and compliance, amongst others. It is anticipated that a report on outcomes of the review will be provided to the Ministry for Primary Industries in mid-late 2017 for consideration. OSPRI and partners may also need to develop a process for wider public consultation on review outcomes, prior to consideration of possible legislative amendments, with wider government engagement.

In the interim, while contributing to the review, OSPRI will continue the implementation of NAIT while preparing for future enhancements resulting from the review process. On completion of the review, OSPRI will seek to revise its NAIT operational plan and three-year strategy in accordance with resulting and agreed government and industry recommendations.

OSPRI will also continue working with industry and government partners and agencies to ensure awareness of the potential benefits of NAIT, with a focus on the medium term goals of the programme, which are as follows:

- The NAIT system provides credible national data relating to deer and cattle location and movement for over 80% of the national cattle and deer herd;

- The NAIT system enables the demonstration of disease freedom and the resumption of cattle and deer (and product) trade following any adverse biosecurity or food safety event;

- NAIT data is an integral part of New Zealand's primary industry preparedness activities and assists in the response to a biosecurity or food safety event;

- The NAIT system supports market access and supports both product integrity and customer preferences for the trading of animal products with lifetime traceability attributes.

There is a need to establish national standards for traceability such that the outcomes of NAIT can be evaluated more effectively in context of both biosecurity and food safety requirements. Equally, the development of such standards would further identify the role of NAIT in contributing to national biosecurity trace-back exercises and activities for readiness and incursion response.

The major NAIT initiatives to be undertaken during 2017–2018 are:

- **The development and implementation of KPIs for NAIT programme** – this will involve identification of key performance indicators to support future reporting and monitoring processes underpinning the implementation of the NAIT programme. These KPIs will be revised from the previous, take account of NAIT review outcomes, and be utilised for quarterly performance reporting to stakeholders and shareholders.

- **The development and implementation of a NAIT reporting and monitoring platform** – this will involve development of custom reports to meet the requirements of various stakeholders including government (for purposes of supporting departmental work in areas of livestock traceability, biosecurity, verification and compliance) and industry, and potentially, commercial entities, including auditing bodies and those with proprietary standards and quality assurance programmes.

  Additionally, a monitoring platform will be developed in order to monitor performance of NAIT account holders and users, involving the application of key performance indicators in tandem with the reporting platform, to support regular monitoring activity for the NAIT system, as required under the NAIT Act.

- **Development and implementation of key NAIT system enhancements** – these will include the development of the NAIT mobile application for purposes of improving access and usability of the NAIT application in industry. The mobile application will be able to be operated when there is no network connection, in a manner that ensures transmission of data once a connection can be achieved. This will cater for remote areas or during travel where connectivity may be weak or broken on occasions.

- **NAIT policy and standard development** – this will involve the revision and re-publication of the existing NAIT accreditation and device standards, and the development of a new NAIT information provider standard, a NAIT identification system standard and a NAIT accredited entity standard, in order to introduce rigorous performance management frameworks for each type of accreditation and user group for which standards are required to apply.

- **NAIT review implementation** – This will involve addressing the recommendations of the NAIT review. These may range from system (application) level enhancements to policy and communication processes. Activities may involve analysis and product design, software development and quality assurance, database development and management and operational activities to support and underpin the implementation of system level changes with user groups.

Goals and objectives

- The NAIT system is evaluated and recommendations are provided to government and industry for continual improvement;

- NAIT is delivered in accordance with policy, regulatory and programme objectives;

- NAIT participates in livestock traceability activities underpinning disease preparedness and emergency response and recovery;

- NAIT is supported by effective engagement, extension and education activities.

Specific activities and projects

1. **The NAIT system is evaluated and recommendations are provided to government and industry for continual improvement**

- The NAIT review is undertaken in collaboration with stakeholders to identify programme and system level priorities and confirm industry and government expectations;

- Consultation on review outcomes is initiated and a process to seek feedback established;

- NAIT reporting functionality is evaluated to enhance reporting;

- Develop revised NAIT key performance indicators to take account of the NAIT review.

2. **NAIT is delivered in accordance with policy, regulatory and programme objectives**

- Continue implementing a policy framework to underpin the NAIT Act and regulations;

- Develop the NAIT notice programme to communicate programme requirements to end users;

- Finalise and implement the revised NAIT Device Accreditation Standard;

- Develop and implement NAIT standards for information providers;

- Develop and implement NAIT standards for accredited entity system utilisation;

- Develop and implement NAIT standards for identification system accreditation;

- Support NAIT users by providing operational and technical advisory service, alongside day to day customer service from the Contact Centre;

- Engage with stakeholders to identify priorities and opportunities for NAIT to underpin key industry, government or market access programmes (refer also to value add);

- Work with NAIT system users to address issues and priorities as these arise;

- Continue examination of new and emerging technologies;

- Ensure NAIT data is securely maintained, kept current and is fit for purpose;

- Implement NAIT Board and Data Panel governance processes.

Key measures

3. NAIT Ltd participates in livestock traceability activities underpinning disease preparedness and emergency response and recovery

- Utilise NAIT to support government trace-back exercises when requested, in areas of biosecurity, disease management, investigation, compliance and emergency response;

- Evaluate and revise NAIT key performance indicators and reporting arrangements for disease exercises so that they effectively represent the core programme outputs and specified regulatory requirements;

- Contribute to planned livestock traceability and standstill exercises conducted with MPI and provide advice towards recommendations for continual improvement.

4. Targeted engagement, extension and education activities support NAIT uptake in industry

- Continue communication and engagement activities that support increasing awareness of the NAIT programme;

- Develop and communicate case studies to demonstrate NAIT system value add to product integrity, biosecurity and market access;

- Identify and develop an extension strategy for post NAIT review implementation activities.

- Recommendations as part of the NAIT review are provided to MPI and industry;

- OSPRI commences, with agreement from MPI and industry, implementation of the (operational) outcomes of the NAIT review as may be required to prepare adequately for any future regulatory changes resulting from the review;

- The current NAIT reporting platform continues to be evaluated with MPI and developed ;

- The strategy for NAIT monitoring and compliance is agreed with government;

- NAIT communication campaigns are effective in increasing awareness in industry of NAIT outcomes and requirements.

FOCUS AREA #2
CONTINUE TOWARD THE ERADICATION OF BOVINE TB

The 2015 review of the TBfree programme demonstrated that eradication of bovine TB is feasible and that industry and government investment should focus on this goal. The TB Plan was thus amended in 2016 with objectives for biological eradication of TB from New Zealand by 2055; with TB freedom in livestock by 2026 and in possums by 2040.

Major work streams for the coming year include the following:

- **Implementation of the TB Management Area initiative.** The development of TMAs is predicated on enhancing the definition of TB management zones of similar habitat, disease status, geographical location, land topography and operational TB control methodology. The TB Management Area initiative will enable medium to longer term planning for TB eradication, where timelines for eradication can be defined, methods for control, surveillance and monitoring can be identified and the intended operational services can be established with the required capability and approach to achieve the TB plan goals efficiently. Clear TB eradication objectives for each TB Management Area will enable greater transparency of proposed TB management operations over time. This will support processes for engagement and consultation with local government, agencies, industry, landowners, interested parties and individuals in the general community in context of the local TB eradication approach and timelines.

- **Implementation of the new disease case management practices for managing TB infected herds.** Revised case management approaches include the development of detailed case management methodologies for oversight of every individual infected herd to the point of determining TB freedom. This includes a more holistic approach towards supporting individual farms and enterprises with the management of TB.

- **Enhancing TB investigation and surveillance approaches in livestock.** This work stream includes a focus on applying new technologies towards identifying the source and origin of TB infections alongside mapping the likelihood of TB spread and the alignment of future testing regimes to support the eradication of the infection in the herd and/or cohort animals and herds.

- **Application of new design principles to support TB eradication in vectors and livestock.** OSPRI has commenced work towards the development of bespoke design principles for TB eradication that take account of TB Management Area (TMA) attributes, where TMAs are areas with defined eradication plans and possess a range of similarities in feature for the management of TB, including geographical features, habitat type, wildlife population, predicted eradication timelines and general land use and ownership in the area or region.

- **Development of a more targeted risk-based approach to the TB testing programme.** Analysis has commenced towards defining a more targeted risk-based testing regime (from the previous broad, geographic and region focussed surveillance approach). This new regime will focus on re-defining and classifying farms and animals in relation to associated risks such as location, livestock sourcing, herd history, herd movements and overall farm and animal health management practices.

- **Enhancement of the post-movement TB testing and inspection regime.** Research into TB detection and visual inspection at post-mortem has been undertaken. The work for the coming year will involve examining these outcomes and defining visual carcass inspection parameters that can provide assurance of the determination of TB at slaughter and therefore is able to be applied in context of a post-movement testing and inspection regime.

- **Measuring and monitoring progress towards the TB Plan objectives.** OSPRI has commenced work to develop more specific objectives and targets, and associated measures (annual operational key performance indicators (KPIs)) for the TB Plan. These KPIs will be used by OSPRI to monitor progress towards both TMA and overall TB Plan objectives. They will also be used to evaluate the impact of activities on progress and be used to refine, adjust or introduce new interventions as required. These KPIs will be assigned for vector control and disease management at programme level as well as at the TB Management Area level, and will be further underpinned by more granular KPIs at VCZ, premises, herd and animal level for purposes of establishing and monitoring disease prevalence.

Goals and objectives

- Design, develop and commence phased implementation of the revised TBfree programme 2017–2026;

- Continue the delivery of the TBfree programme to agreed annual and long-term eradication targets;

- Disease diagnostics, management and surveillance practices protect and enhance national livestock disease status;

- The TBfree programme is underpinned by rigorous research and development activities;

- Stakeholders and the general community are engaged and informed.

Specific activities and projects

1. **Continue the design, development and phased implementation of the new TBfree programme**

- Continue the design, planning, development and phased implementation of the new TBfree programme agreed during 2016;

- Implement the National Operational Plan (submitted to government in October 2016);

- Pilot the policy framework supporting the National Operation Plan with emphasis on:

  – Development of the TB Management Area framework to support TB programme operations, delivery and regional communications;

  – Development of policies for phasing in risk-based testing and disease surveillance activities;

  – Review and consideration of compensation policies to maintain farmer support and co-operation while encouraging sound risk management;

- Implement measurable performance indicators for the revised TBfree programme;

- Implement the revised (in 2016/17) best practice design principles for pest control and disease surveillance;

- Implement best practice principles for infected herd case management that are designed to support achievement of livestock TB freedom by 2026;

- Continue the implementation of the revised pest operations procurement model that promotes and increases innovation and collaboration with service suppliers;

- Implement the pilot trial to test potential design and adoption of risk-based testing for disease management;

- Examine system options for database reporting/ monitoring support for the pest management programme and disease programme in an ongoing manner.

Specific activities
and projects continued

2. Continue the delivery of the revised TBfree programme to agreed TB freedom targets

- Confirm possum TB freedom from at least 460,000 hectares of TB VRA by the end of the first two years of the TB Plan (30 June 2018);

- Maintain annual infected herd prevalence levels below 0.2%;

- Continue the development and implementation of the TB freedom operational plan with focus on:

  – Confirming vector risk areas and their associated zoning policies;

  – Implementing TB Management Areas with their supporting eradication plans;

  – Establishing the required wildlife control and surveillance activities that will deliver upon each TMA's eradication targets.

- Develop improved standard operating procedures and reporting tools to monitor compliance status as it relates to the TBfree programme;

- Develop and implement KPI dashboard for monitoring progress of objectives of freedom from TB in cattle and deer herds, and in possums;

- Implement a revised procurement model that enables commissioning of the required contractor capability while taking account of the change in operational programme delivery, regional and TMA level goals and objectives for eradication and surveillance, and that considers future funding and time restraints;

- Implement new control and surveillance design methods for wildlife and post-mortem examination.

3. Disease diagnostics, management and surveillance practices protect and enhance national livestock disease status

- Animal health case management activities continue to support TB diagnosis, management and eradication in cattle and deer herds across New Zealand;

- Testing regimes are reviewed and refined in terms of the application of risk status;

- Movement diagnostics are analysed to underpin disease management strategies and the design of targeted testing regimes;

- Disease analysis methodologies are refined to support case management, identify risk animal movements and improve the understanding of farmer behaviour;

- In-field veterinary monitoring and surveillance supports the implementation of the TBfree programme;

- Post-mortem surveillance systems are revised and implemented to support livestock disease surveillance;

- Proof of Freedom related analysis tools are enhanced to improve decision making for assessment of cases for declaration of freedom from TB;

- Develop TB slaughterhouse surveillance extension and training packages to meet sensitivity levels required for the adoption of targeted TB testing.

4. Stakeholders and the general community are engaged and informed

- Programme implementation strategies relating to pest management, disease management and TB testing are developed in consultation with OSPRI partners and stakeholders;

- The TMA and operational notice programmes are implemented to enhance landowner, land user and community engagement;

- Outcomes and activities in relation to TB eradication are communicated to stakeholders and the community (refer also section 4);

- Third party contractors and suppliers are engaged and have access to the required operational support and information;

- Contractor training initiatives to ensure awareness of the TBfree programme, Health and Safety requirements and other methods required for pest management operations are implemented.

5. The TBfree programme is underpinned by rigorous and collaborative research and development activities

- Identify, develop and deliver sound science that supports the TBfree programme and its design;

- Identify research collaboration and co-investment opportunities that address greater pest management and biodiversity outcomes for New Zealand's primary industries and general community;

- Identify research investments that contribute to scientific capability building where possible – this includes projects that can be accompanied by post-graduate development programmes;

- Undertake scientific research in the following R&D theme areas[3]:

  – **Proof of freedom of TB**

    ○ Increasing confidence in and "usability" of the Proof of Freedom framework.

  – **Programme design enhancement**

    ○ Determining TB freedom without TB surveillance, through aerial control and density monitoring;

    ○ Define TB prevalence in ferret populations and the role of ferrets in TB incidence and spread.

  – **Operational specifications improvement**

    ○ Enabling rapid eradication of TB from possums through achievement of near-zero possum density;

    ○ Identifying minimum patch size and isolation for input and output contracting;

    ○ Establishing options for possum TB freedom in remote areas without aerial 1080;

    ○ Large scale control and surveillance methodologies.

  – **Case management diagnostics and vaccines**

    ○ Develop new assays for the blood based detection of latent ("hidden") TB infections in cattle;

    ○ Increasing the accuracy of *M. bovis* disease traceability through strain typing and whole genome sequencing;

  – **Investigate operational and commercial technologies and alternatives**

    ○ Evaluate bait quality improvement options to support delivery of the pest management programme.

Key measures

- Continue implementation of the TBfree programme to agreed targets;

- Continue animal health surveillance, disease diagnostics and control measures in order to maintain less than 0.2% annual infected herd period prevalence and an absolute level of no more than 30 infected herds at year end;

- Confirm possum TB freedom from at least 460,000 hectares by end of 2017/18 so total remaining vector risk area is less than 7.74 million hectares;

- Complete aerial pest control operations over (tbc) hectares;

- Complete ground pest control operations over (tbc)hectares;

- Complete wildlife surveillance operations over (tbc) hectares;

- Implement and regularly review policies to support the TBfree programme including compliance and compensation;

- The OSPRI Research and Development (R&D) strategy is published.

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3   OSPRI has drafted its revised R&D Strategy due for publication early in the 2017-2018 financial years.

FOCUS AREA #3
VALUE ADD FOR INDUSTRY, GOVERNMENT AND THE COMMUNITY

It is well recognised that livestock traceability systems have been developed for purposes of supporting animal health, disease management, biosecurity, food safety and market access, alongside the conduct of trace back activity for emergency animal disease response and recovery. There remains significant opportunity for livestock traceability to further underpin animal health management and supply chain integrity in New Zealand.

OSPRI will, in 2017–2018, seek to cover the following value add areas in relation to TB and NAIT programme development:

- **Development and further exploration of the options presented in the Electronic Animal Status Declaration (eASD) Business Case**
  – A business case was drafted late in the 2016–2017 financial year and provided to the Red Meat Profit Partnership, eASD reference group and OSPRI shareholders and investors for consideration. Further work in this area may now involve responding to feedback, further explanation or analysis of the options as presented.

- **The continuation of the eASD Pilot to full implementation (once determined between industry and government)**
  – The eASD business case identified a series of options for discussion between government and industry for full implementation of eASD alongside the established paper ASD system. Whilst these options are being considered, a secondary consideration and potential work stream for OSPRI remains the continuation of the eASD Pilot and the wider participation of meat processors in this from 30 July 30 onwards.

- **Integration of TB data with NAIT application**
  – This project will involve the integration of herd TB status and testing data with NAIT for purposes of assignment to premises and individual animals. The proposed integration will underpin the development of the risk-based testing pilot, by providing the ability to individually monitor animal movements of a particular status, assign premises status types and classifications, and report and validate status information alongside traceability data using the NAIT application – including data derived at the point of slaughter. This is the first of a series of activities and processes that will support the rollout of the risk-based testing Pilot, where the objective remains to be operating this revised approach by 2020[4].

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4   National Operating Plan, accepted 2016

- **Integrated NAIT and TB registration processes** – This is intended to simplify the current (dual) registration processes occurring for NAIT and TB programmes. The objective will be to set the minimum data and registration requirements for both programmes, dependent on enterprise types and activities, then apply an online registration process that is more user-friendly and efficient for the registration with either or both programmes by users.

- **Brand and product differentiation support using NAIT traceability** – A range of discussions with commercial entities have occurred in relation to utilisation of the NAIT system for purposes of performing trace-back, identifying animals and premises, confirming additional fields including date of birth for market access purposes and providing reports in accordance with these specified and supported industry and product attributes for underpinning various supply chain quality assurance standards.

- **Consideration of OSPRI's role in supporting Predator Free 2050.** There is considerable potential for OSPRI to support government's Predator Free New Zealand 2050 goals through provision of pest management planning, technical advice and services, and operational management. Options for this will be developed and explored through discussion and engagement with Predator Free New Zealand Ltd, Department of Conservation and other stakeholders. OSPRI will continue providing regular and transparent information on its operations and planning for purposes of enhancing value add towards the Predator Free 2050 goals and additionally, make adjustments to operations for purposes of enhancing leverage opportunities for shareholder agencies.

- **Enhancing collaboration and co-investment with other agencies and organisations in pest management operations as a service delivery activity.** OSPRI will build on and continue its collaboration with the Department of Conservation (DOC) in delivery of operational pest management and will seek to maximise synergies between TB and biodiversity-related pest management where this does not detract from efficient achievement of TB Plan objectives. Similar collaboration opportunities will explored with local government, other agencies and community groups engaged in public good pest and predator control programmes.

Goals and objectives

- Value add opportunities for both NAIT and TB are identified, developed and implemented.

Specific activities and projects

1. **Value add opportunities for both NAIT and TB are identified and developed and implemented**

- Opportunities for collaboration and co-investment are identified, developed and implemented;

- Efficiencies are identified through coordinated service delivery of the NAIT and TBfree programmes, in areas of:

  – Data reporting on the TB and NAIT programs to government;

  – Consolidation of registration and other service delivery;

  – Utilisation of NAIT to support TB programme by integration of testing and TB status data with NAIT application;

  – Integration of other disease or livestock status information with traceability as required by government and industry;

  – Alignment of implementation tools.

- Efficiencies are delivered for both NAIT and TBfree programmes in areas of capability development, industry engagement and communication;

- OSPRI continues to develop and deliver through partnership and joint service delivery with the Department of Conservation including, but not restricted to, Battle for the Birds initiatives;

- Opportunity for similar partnerships and service delivery towards underpinning the Predator Free New Zealand 2050 initiative are explored with stakeholders;

- OSPRI utilises traceability data for analysis to underpin livestock disease diagnostics for TB;

- The Pilot for eASD is continued and developed to ensure the application is user friendly and meets regulatory and commercial requirements;

- OSPRI seeks to scope value add opportunities that support OSPRI shareholder and investor priorities;

- OSPRI seeks to scope value add opportunities presented by commercial and industry entities where these rely on traceability inputs and can be of value add to the NAIT objectives nationally.

Key measures

- TB testing and status data is integrated with NAIT for the purposes of the risk-based testing Pilot (in a phased process);

- TB and NAIT registration processes are aligned and integrated to provide value add to users;

- Battle for Our Birds collaborations are developed and implemented;

- Value add opportunities presented by industry and government are investigated and considered as these arise;

- Reporting for trace-back purposes is enhanced;

- The eASD Pilot and Business Case delivers on the needs of Red Meat Profit Partnership, government and industry.

FOCUS AREA #4
ENGAGE OUR STAKEHOLDERS AND BUILD TRUST AND CONFIDENCE IN OUR PROGRAMMES

For OSPRI, the establishment of successful and well-defined programmes and activities is dependent on regular engagement with industry stakeholders, the community and landowners, government and primary industry businesses. This focus area centres on OSPRIs consultation, engagement and communication initiatives to build trust and confidence in our programmes by industry, government, partners, commercial entities, service providers and the general community.

Goals and objectives

• Stakeholders are engaged and informed about OSPRI's programmes and outputs;

• Effective technical and information materials are developed that enhance awareness and knowledge of OSPRI's programmes and services;

• Extension, education and training initiatives are developed that support OSPRI's programmes.

Specific activities and projects

1. **Stakeholders are engaged and informed about OSPRI's programmes and outputs**

• The new OSPRI website is developed and launched;

• The TMA programme provides better awareness of operational planning and eradication objectives at the local level;

• Facilitate effective consultative processes including through TBfree and OSPRI Committees;

• OSPRI revises its corporate communications strategy to account for the TBfree and NAIT review outcomes;

• Develop fit for purpose communication messaging for OSPRI programmes;

• Facilitate targeted industry and community engagement forums to report on outcomes and identify new opportunities, priorities and needs;

• Collaborate with industry agencies towards joint engagement and extension activities for industry.

Key measures

2. Effective technical and information materials are developed that enhance awareness and knowledge of OSPRI's programmes and services

- Develop communication materials that increase engagement, awareness and promote best practice;

- Publish reports, factsheets and other materials to communicate and support OSPRI programmes;

- Develop reports and publications that meet OSPRI governance requirements.

3. Extension, education and training initiatives are developed that support OSPRI's programmes

- Develop extension, education and training initiatives in support of the TBfree and NAIT programmes;

- Contribute animal health diagnostic, surveillance, management and related advice to government and industry agencies as required;

- Contribute traceability knowledge and related advice to government and industry as required;

- Provide or contribute to training on TB management for on-plant veterinarians, quality assurance and testing contractors, farmers and other stakeholders.

- The OSPRI Corporate Communications Strategy is effective in supporting awareness about TB eradication goals;

- The community engagement programme ensures wide consultation on TBfree programme operations;

- At least one industry focussed training and education initiative is developed and/or delivered.

FOCUS AREA #5
DEMONSTRATE CONTINUAL BUSINESS IMPROVEMENT

This programme focuses on activities that support continual business improvement and the implementation of sound, efficient and effective business practices, systems and procedures. These include, but are not restricted to corporate activities including the ongoing implementation of best practice health and safety policies and procedures, corporate governance, risk management, financial and process management and ensuring effective delivery of programmes, projects and systems.

Goals and objectives

- Improve organisational efficiency and service delivery;
- Seek opportunities to improve business processes and systems;
- Enhance our people's capability, capacity and culture;
- Demonstrate a proactive health and safety culture.

Specific activities and projects

1. **Improve organisational efficiency and service delivery**

- Implement and use effective systems and business processes to manage OSPRI's activities and projects;
- Implement, create or use digital and online tools to enhance service delivery;
- Contribute technical and corporate advice as required and requested through official information requests, Parliamentary processes and other formal and informal enquiries;
- Improve OSPRI's compliance with constitutional and regulatory requirements;
- Facilitate the Secretariat for the OSPRI Stakeholder Council;
- Facilitate the Secretariat for the NAIT Data Access Panel;
- Develop and implement sustainable programme level funding models.

2. **Seek opportunities to improve business processes and systems**

- Implement the Company's internal assurance programme;
- The Board and Executive oversee and determine policies consistent with the company's strategic plan and governance arrangements;

Key measures

- Provide accurate, timely and meaningful information that enables planning and business decision making;

- Online recruitment and payroll services are identified and evaluated.

3. Enhance our people's capability, capacity and culture

- Continue to examine opportunities and methods to build our management, scientific, leadership and operational service delivery capability;

- Foster a culture of professional service delivery and leadership;

- Implement the OSPRI professional development programme;

- Implement OSPRI's guiding principles and acceptable behaviours programme and develop evaluation methods to assess outcomes and progress;

- Measure and reward safe behaviour, challenge risky or unprofessional behaviour and/or non-compliance.

4. Demonstrate a proactive health and safety culture

- Develop the OSPRI health and safety strategy and accompanying measures for 2017–2020;

- Continue focus on our top five risks;

- Continue initiatives in the priority areas of leadership, wellbeing, health, professional development and competency, and health and safety;

- Maintain and improve physical security in accordance with our policy and stakeholder expectations;

- Strengthen service-provider and worker participation, engagement and feedback;

- Promote or deliver safety training for our top risks;

- Provide comprehensive health monitoring and wellbeing programmes for employees;

- Maintain our active risk-management systems.

- The OSPRI Internal assurance programme is developed, commissioned and implemented;

- Internal professional development strategy is developed and implemented;

- OSPRI working environment (principles and values underpinning culture) is developed and delivered;

- OSPRI Strategic Plan developed and published;

- Maintain company ACC tertiary accreditation and risk management systems;

- Revised Health and Safety three-year strategy developed.