



Annual Operating Plan

July 2020 – June 2021



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

This is the Annual Operating Plan for OSPRI New Zealand Limited and its wholly-owned subsidiaries NAIT Ltd and TBfree New Zealand Ltd.



OSPRI New Zealand's shareholders and funders:



Ministry for Primary Industries
Manatū Ahu Matua



OSPRI New Zealand's Stakeholders' Council consists of representatives from:

Beef + Lamb New Zealand

Dairy Companies Association of New Zealand

DairyNZ

Deer Industry New Zealand

Federated Farmers Dairy

Federated Farmers Meat and Wool

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

Predator Free 2050

Road Transport Forum

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Introduction

This Annual Operating Plan is the second issued under OSPRI's Strategic Plan 2019–2024.

It sets out the organisation's work plan including continuing and new key initiatives and activities which the company will undertake in this financial year, and details the milestones and one-year targets required to deliver the strategic outcomes, impacts and Key Performance Indicators contained in the Strategic Plan.

The Annual Operating Plan should be read together with the Strategic Plan and the budget for the 2020–2021 year; overviews of each are provided in this document.

OSPRI'S value

OSPRI's ambition is to be the trusted partner of choice of Government and industry for the ongoing management of animal diseases in the primary sector. We are an integrated service provider offering end to end disease management expertise, services and systems, scalable up to national level.

OSPRI was established for the benefit of primary industry shareholders and its worth lies in creating demonstrable value for them. The OSPRI value statement describes why OSPRI exists and the benefit it provides to its shareholders and stakeholders:

Farmers and markets can depend on us to provide assurance as to the health and status of animals

Access to international and domestic markets is reliant on our nation's excellent animal health status and reputation, which depends on Government, industry and stakeholder commitment to animal health management, traceability, biosecurity capability, surveillance programmes and emergency disease preparedness and response.

Key matters included in the 2020–2021 activity programme

There are a number of significant issues that began or impacted the company during the 2019–2020 financial year which will need to be managed in the 2020–2021 year.

Specific matters impacting the TBfree Programme are described in the Disease Management section:

- Hawke's Bay TB infection
- TB Plan Health Check
- COVID-19 lockdown.

The increase in national infected herd numbers due to the Hawke's Bay infection cluster, and the cessation of vector operations nationally under COVID-19 Alert Level 4, resulted in several KPIs under the 2019–2020 Annual Operating Plan not being met, and these have been carefully reviewed for this year's programme.

New operating model

In April 2020 OSPRI launched a new operating model designed to set up the company to be an agile, connected and customer-centric service delivery organisation. We believe it will enable us to better provide integrated services to our customers across all our programmes.

The main changes include:

- A move to a geographically based operating model supported by strong planning, integration and control in the centre
- An enhancement of OSPRI's regional footprint
- A change to the organisational design and leadership to support the new operating model.



We are setting up stronger regional leadership while maintaining a national focus, and extending our presence across New Zealand to align with where farmers and stakeholders are as opposed to where vector control zones are. The design will also drive collaboration across teams in OSPRI to deliver an integrated set of services to customers.

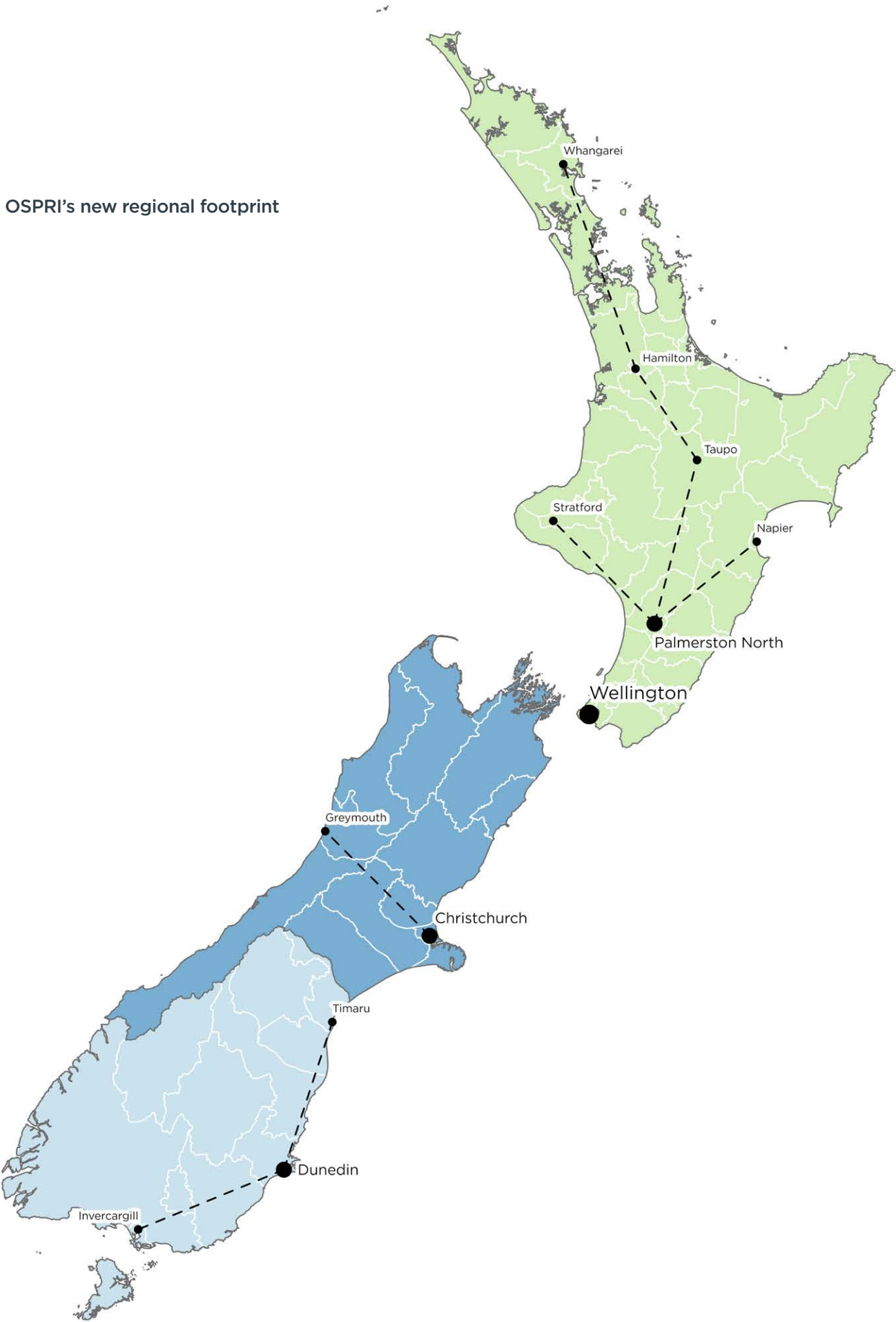
The new Executive Leadership Team structure includes three General Managers responsible for service delivery in the North Island, Upper South Island, and Lower South Island.

We will continue to have our head office in Wellington and our regional offices at Palmerston North, Hamilton, Christchurch and Dunedin. In addition to Taupo, Napier and Greymouth, we will establish a permanent presence in Whangarei, Stratford, Timaru and Invercargill. Regions that will be serviced from an office in a different location are

Tasman, Marlborough, Wairarapa, Bay of Plenty, Gisborne, and Auckland.

The implementation of the new operating model is a major focus during this financial year for all divisions.

OSPRI's new regional footprint





Strategic Plan 2019–2024

OSPRI's Strategic Plan 2019–2024 details the strategic outcomes, enablers for success, and seven impacts that the company expects to deliver in that five-year period. It includes an initial set of thirteen Key Performance Indicators that will be reviewed in the 2021–2022 financial year.

The Strategic Plan framework diagram and set of KPIs to June 2022 are set out in the appendix to this document.

Strategic outcomes

The Strategic Plan contains two key outcomes, mirroring OSPRI's legislative responsibilities, in the areas of disease management and traceability:

- Animal diseases for which we have primary responsibility are managed to agreed outcomes
- Full traceability of the animals within the National Animal Identification and Traceability scheme.

These outcomes are inter-related as effective disease management needs to be underpinned by a comprehensive and reliable traceability system.

Critical enablers

Four critical enablers are vital to us successfully delivering our strategic outcomes, and to stakeholders having trust and confidence in OSPRI.

The following statements stress the importance of people, relationships, culture and capability to OSPRI's future success:

- To be successful, we need to have the culture, capability and capacity to deliver our programmes effectively and efficiently

- It is important that our shareholders, stakeholders and funders agree that we understand their needs and expectations
- Our superior information management systems and technology will support the successful delivery of our strategy and programme
- Our success is dependent upon there being broad understanding and support for our programmes and the strategies we deploy to implement them.

Impacts

Delivery of our strategic outcomes will deliver seven impacts:

- Livestock are free of TB by 2026
- Possums are free of TB by 2040
- In the event of a disease incursion those who must manage the incursion have timely, accurate animal traceability information
- Those responsible for the management of animal health and disease have confidence in the traceability scheme and its performance
- OSPRI is asked to take on responsibility for the management of other diseases
- Other parties with a legitimate interest are able to verify the provenance of animals
- Stakeholders have trust and confidence in OSPRI and in the delivery of its programmes.

Key Performance Indicators

The appendix sets out the thirteen KPIs that will be monitored and reported on a regular basis to inform progress against achievement of the Strategic Plan. These KPIs are three year measures (to 30 June 2022), which will be refreshed and reset in 2022 for the remaining life of the 5-year Strategic Plan.

The one-year KPIs for the 2020–2021 year follow on from those in the 2019–2020 Annual Operating Plan and will lead toward achievement of the Strategic Plan KPIs.



About OSPRI

Who we are

OSPRI New Zealand Limited was established in 2013, bringing together the Animal Health Board and National Animal Identification and Tracing (NAIT) Limited.

OSPRI is owned by three industry shareholders – DairyNZ, Beef+Lamb New Zealand, Deer Industry NZ, and is funded by levies and Government investment through the Ministry for Primary Industries (MPI).

Programmes of work

OSPRI is the sole shareholder of TBfree New Zealand Limited and NAIT Limited which are the statutory management agencies for the delivery of the TBfree and NAIT programmes respectively. Accountabilities for delivery of these programmes are contained both in legislation and in National Operational Plans developed by OSPRI and provided annually to the responsible Minister.

The TBfree programme is directed at the biological eradication of bovine tuberculosis (TB) from New Zealand by 2055 with milestone targets of livestock TB freedom by 2026 and possum TB freedom by 2040.

NAIT is New Zealand's national animal identification and tracing programme, capable of tracing livestock movements across the supply chain from farm to meat processing for the purposes of managing animal health, disease outbreaks, food safety and biosecurity risks. The programme currently applies to farmed cattle and deer.

Staff

Following implementation of its new operating model during the first part of the 2020–2021 year, OSPRI will have enhanced its regional presence to 12 locations supported by 12 regional OSPRI Committees made up of farmer representatives.

Governance

The OSPRI Board comprises five directors, but this is expected to increase during the upcoming year. The Board owns the company's Strategic Plan and is responsible for overseeing the achievement of its objectives.

The Board is supported by a Stakeholders' Council representing 13 stakeholders. Key functions and powers of the Stakeholders' Council include reviewing, monitoring and discussing with the Board the performance of the long-term objectives and strategies for the OSPRI group, reporting to shareholders, and recommending Board appointments.

Budget

A summary of the 2020–2021 operational budget, and provision for capital expenditure, is included in this document.



Strategic outcome 1: Disease management

Our first strategic outcome is that animal diseases for which we have primary responsibility are managed to agreed outcomes.

Impacts on 2020–2021 disease management programme

COVID-19

TB testing and the services required to support it, including OSPRI's Contact Centre, continued throughout Alert Level 4 as an essential service or permitted activity.

Wildlife TB vector operations were put on hold and re-started when New Zealand moved to Alert Level 3 in late April 2020. We undertook an impact assessment of the shutdown of vector management operations together with a prioritisation of recovery work. Some work that had started, and some that had yet to start, at the time Alert Level 4 was implemented, will be carried over into the 2020–2021 work programme. This is currently expected to be \$4.4 million, and will be additional to the budget.

Hawke's Bay TB infection

During 2019–2020 OSPRI has been managing TB infection in an area of Hawke's Bay between Napier and Wairoa. Internal and external reviews were carried out to determine the reason for the infection, and to assess the risk of infection in any similar areas in New Zealand.

The Hawke's Bay infection was initially discovered in routine TB testing, with the scope confirmed during an accelerated TB testing programme in the region. In mid-July, the total number of TB positive animals is 46, across 19 herds. The outbreak has been clearly linked to TB infected wildlife.

We prioritised and increased TB testing capacity in the region; this continued during COVID-19 Alert Level 4. We also implemented an expanded Movement Control Area from

1 March 2020 to prevent any potential spread of disease via livestock movement. An accelerated possum control programme involving aerial 1080 operations and ground trapping has been underway in the region since October 2019, however this was paused during the COVID-19 Alert Level 4 lockdown. Recovery action in this area has been prioritised.

Farmer welfare and support services, case management, extended regional communications, and additional surveillance work will continue as we return this area to TB freedom over the next three years. The expanded Movement Control Area will remain in place for up to two years until the rate of infection is sustainably below 1% of herds in the Movement Control Area or six infected herds.

TB plan health check

A health check of the TB Plan was recommended following the 2015 TB Plan review as a mechanism to assess operational progress and the impact of reduced funding. Funding was reduced from \$80 million to \$65 million in the first two years of the new TB Plan, and then to \$60 million. The rationale for the reduction in funding was based on OSPRI adopting a more targeted approach to disease management in order to eradicate TB.

The Health Check commenced in early 2020 and will be completed in the upcoming financial year. A Governance Group with shareholder and stakeholder representation and an independent Chair is overseeing the work and will make recommendations to the Board.

The objectives of the Health Check are to:

- Test the assumptions underpinning the 2015 Plan review
- Assess OSPRI's operational delivery and progress against objectives for the TB Plan since the plan was introduced on 1 July 2016
- Review the current operating model (disease management and vector control approach) to identify and recommend changes to drive efficiencies

- Assess risk-based approaches to disease management and operations to identify consequences and inform trade-offs
- Determine whether the funding levels provided for under the current strategy are sufficient to meet the objectives of the TB Plan.

Underpinning this will be the development of a TB programme risk model that creates greater transparency around risk and / or mitigation of risk within the programme.

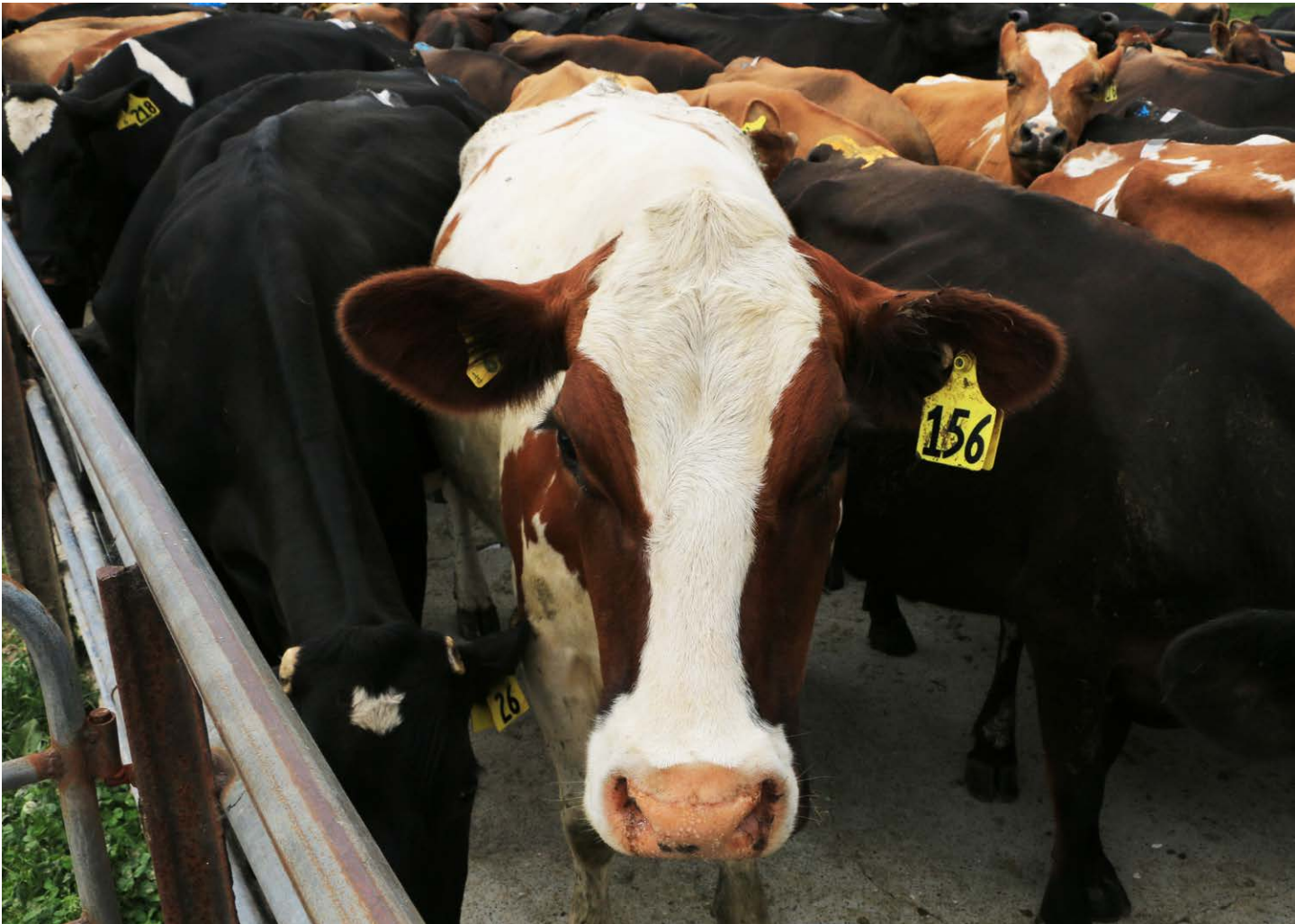
We will also complete the TB Health Check process and implement any approved recommendations, commence technology work including the integrated solution for DMS (Disease Management System) and NAIT and the capability for Targeted Testing, and manage the Hawke's Bay infection towards final clearance.

Focus for 2020–2021

A key focus is to progress the development of the TB programme adopting a more agile and holistic approach that better integrates disease management, pest operations and traceability.

2020–2021 Objectives and activities

Objectives	Activities
Livestock TB freedom by 2026	<ul style="list-style-type: none"> • Manage the Hawke's Bay TB infection towards final clearance • Complete the TB Health Check and implementation of any approved recommendations • Design and implement Targeted Testing (previously known as Risk-Based Testing) • Align the DMS and NAIT locations to enable the integration of Disease Management System and NAIT • Develop a response plan and templates for use in future outbreaks • Build technology capability to enable Targeted Testing • Implement risk matrix to identify and monitor high-risk Vector Risk Areas
Possum TB freedom by 2040	<ul style="list-style-type: none"> • Achieve possum control and wildlife surveillance targets in accordance with the approved programme • Implement a revised annual review and update process for the Pest Management Design Guidelines • Develop and implement within the regions a revised continuous improvement cycle of tools and technologies to support more efficient vector control and surveillance • Improve monitoring and dashboard reporting of TBfree Proof of Freedom progress in Vector Control Zones for communications, evaluation and continuous improvement • Continue collaborative work with Predator Free 2050, Department of Conservation and other agencies to maximise opportunities for coordinated vector control work and identifying improved methodologies for possum population assessment and pest control



Measuring success in 2020-2021

Ref	Key Performance Indicator
1.	Maintain national infected herd period prevalence of no more than 0.2%
2.	There is a reduction of 200,000 hectares of TB vector risk areas
3.	Through Targeted Testing there is a reduction of approximately 15% in annual cattle and deer numbers tested, equivalent to 550,000 tests and savings of at least \$2 million



Strategic outcome 2: Traceability

Our second and related strategic outcome is that there is full traceability of animals within the National Animal Identification and Traceability (NAIT) scheme.

Our high-level ambition is to provide full traceability of animals within the national traceability scheme and to put in place a scheme in which key users have confidence and which compares favourably against other traceability schemes internationally.

The *Mycoplasma bovis* incursion highlighted some inadequacies of the NAIT system and resulted in the development and commencement of a detailed work programme to address short term issues and longer-term enhancements. Many improvements have been made, but there is still much to do and this work will continue in 2020–2021.

It is of key importance that New Zealand's traceability scheme has high levels of compliance, data integrity and is easy to use. A significant outcome of a range of activities last year was a behavioural change leading to improvements in compliance statistics which will be built on this year.



Focus for 2020–2021

Compliance work with stakeholders continues to be a high priority for this year, together with continuing to progress work which ensures the accuracy of data within the scheme, and the technology work which will deliver a system that is easier to use.

2020–2021 Objectives and activities

Objectives	Activities
The NAIT scheme is customer-focused, easy to use and adds value for all users	<ul style="list-style-type: none"> • Develop and implement a customer-focused suite of tools and resources for all types of NAIT users (including tools for farmers to enable them to self-audit and correct their NAIT accounts)
Increase compliance with NAIT requirements	<ul style="list-style-type: none"> • Work with stakeholders to develop and implement an annual Compliance Plan under the Compliance Strategy • Develop the NAIT Compliance Scale
Information held in the NAIT information system has a high degree of accuracy	<ul style="list-style-type: none"> • Develop a strategy to address historical inaccuracies of animal records in the NAIT information system • Design and begin implementation of the new traceability system that will enable third party technology standards to be defined • Draft and implement a Third-Party Software NAIT Standard (section 12 of the NAIT Act) • Review and improve the NAIT Identification System Standard • Implement the audit and accreditation process for NAIT Standards
Develop a world-leading traceability scheme	<ul style="list-style-type: none"> • In conjunction with stakeholders, explore the feasibility of real time tracking of livestock • Implement the research study into the causes of tag degradation • Support MPI and industry plans to strengthen on-farm biosecurity

Measuring success in 2020–2021

Ref	Key Performance Indicator
4.	60% of animals registered since January 2020 have full traceability
5.	80% of NAIT animals are registered prior to their first movement
6.	80% of animal movements are recorded within 48 hours



Critical enablers



Organisational culture, capability and capacity

The decisions made following the functional review undertaken in 2019–2020 represent the next stage of OSPRI's evolution to become an agile, connected and integrated organisation that is set up for the future. Implementation of the new operating model will establish the foundations to empower our people to use their skills, experience and networks to deliver the best service possible to our customers.

The new operating model is designed to deliver the following benefits:

- Improved performance and efficiency through defining accountabilities and designing internal collaboration
- Improved customer experience by better co-ordinating our service delivery and tailoring our services to regional needs by increasing

our presence to be closer to where our customers and stakeholders are

- Enhanced organisational capability and expertise in animal disease management, building core expertise in our key programmes and empowering regions to deliver the full suite of OSPRI services
- Enabling demonstrable value to be delivered to shareholders with stakeholder integration and support at a regional level.

Focus for 2020–2021

Implementing the new operating model, building leadership capability, and shaping desired culture are critical to the success of the new model. Upskilling staff to work within the new operating model and deliver its benefits is a key task during the upcoming year. As always, health and safety training and monitoring will continue to be a high priority.

2020–2021 Objectives and activities

Objectives	Activities
Improve the capability of our people	<ul style="list-style-type: none"> • Launch and fully integrate an HR Strategic Plan that supports our people and OSPRI to be successful through regional workshops • Implement new technologies to manage HR processes across the HR employee life cycle, including payroll, learning management platform and recruitment platform • Implement targeted capability development of staff especially focussed on re-skilling and building transferable skills to ensure an agile workforce, and building critical skills and competencies for OSPRI • Strengthen the current and future leadership bench starting with the building of a talent matrix to commence proactive succession planning
Shape culture to future desired state	<ul style="list-style-type: none"> • Implement the changes from the functional review • Establish internal staff working groups to shape, support, advocate and champion desired culture • Undertake a staff engagement survey in 2021 and work alongside the provider to establish benchmarking to industry
Health and safety	<ul style="list-style-type: none"> • Implement fit-for-purpose health and safety platform solutions, including health and safety learning and induction • Develop and deliver a Wellbeing Programme • Continue to improve the health and safety management system aligned to our ISO45001 accreditation

Measuring success in 2020–2021

Ref	Key Performance Indicator
7.	OSPRI achieves a 75% engagement score in its staff engagement survey
8.	Unplanned attrition is less than 12%
9.	An individual and team development strategy, linked to OSPRI's capability programme and talent matrix, is implemented and reported on
10.	The OSPRI Total Recordable Injury Frequency Rate (TRIFR) reduces by 16% (from 25.0 to 21.0)

Engaging, understanding and supporting our stakeholders

During the 2019–2020 year we set up a stakeholder engagement strategy and undertook a baseline stakeholder survey. This year we will work with stakeholders to implement the key findings from the survey to ensure we meet their needs and expectations.

Last year we also reviewed the role and scope of the Contact Centre, strengthened the support to our regional farmer committee networks, and improved our communication and engagement activities to provide support and information to help farmers comply with their obligations.

We will continue to progress this work. The implementation of the new operating model, with a focus on regional delivery, will ensure that stakeholder needs are at the centre of our thinking.

Focus for 2020–2021

Landowner relationships are increasingly important to the TBfree programme operations and the delivery of its targets. A strategy to resolve land access issues will be the subject of focused attention this year. We also continue to develop communications that have meaning for farmers.

2020–2021 Objectives and activities

Objectives	Activities
Improve stakeholder engagement and support	<ul style="list-style-type: none"> • Develop and implement a stakeholder engagement framework and strategy based on data collected in the 2020 stakeholder engagement survey • Develop a strategy to work with landowners including whānau, hāpu and iwi to increase their understanding, engagement, involvement in the TBfree programme
Deliver improved and targeted communications	<ul style="list-style-type: none"> • Design refreshed and farmer-centric collateral, messages and campaigns based on the farming calendar • Collaborate with stakeholders to utilise their channels to promote the OSPRI stories and key messages • Increase engagement across our channels and actively grow our network of followers

Measuring success in 2020–2021

Ref	Key Performance Indicator
11.	At least 90% of calls to the Contact Centre are answered within two minutes
12.	A land access strategy, including with iwi, is developed and implemented



Technology and tools

We developed an Information Systems Strategic Plan 2019–2024 (ISSP) in the past year to demonstrate how our information systems and technology will support and enable the delivery of OSPRI's Strategic Plan.

The work of the ISSP aims to redesign core systems around functions that are reusable across our programmes. This will enable integration, improve our services and increase the value that they provide to our stakeholders. We want to develop and deliver core business systems and data that are:

- A single source of information for the animals and diseases that we manage
- Easy to use both to enter and extract information
- Secure but easily accessible by approved stakeholders
- Set up to allow for innovation and new technologies to be utilised through integration services.



Key to success is to replace the current NAIT and DMS systems with a single Traceability and Disease Management System using a modern platform as a service architecture.

We commenced implementation of the ISSP projects last year and will continue its realisation this year. The COVID-19 level 4 response provided an opportunity to enable all services to work remotely, including our Contact Centre.

Focus for 2020–2021

Delivering the work under the ISSP to support the two strategic objectives, and embedding the ISSP Governance framework, will be priority areas for this year.

2020–2021 Objectives and activities

Objectives	Activities
Deliver the ISSP integrated implementation plan	<ul style="list-style-type: none"> • Align work programme and business priorities through the ISSP Governance Framework • Work with OSPRI's suppliers to improve shared business processes through technology integration • Best practice business planning and risk monitoring implemented
Improve data and information management	<ul style="list-style-type: none"> • Implement a Data and Information Strategy that addresses governance, quality and compliance • Implement a Common Data Platform to enable improved use of information and support initiatives such as a traceability tool, eASD, and enhanced TBfree programme

Measuring success in 2020–2021

Ref	Key Performance Indicator
13.	<p>Progress the ISSP meeting time, quality and cost specifications including the following milestones:</p> <ul style="list-style-type: none"> a. Complete a procurement process to select a software solution to manage disease and pest management capability by 30 December 2020 b. Implement an upgrade to CRM to support first release of the OSPRI Portal by 30 June 2021 c. 35% of OSPRI Portal capability progressed by 30 June 2021.

Understanding and support for our programmes

Our success depends on there being broad understanding and support for our programmes and the strategies we deploy to implement them.

Several matters which have led to improvements in the understanding and support for our programmes have occurred in the past 18 months:

- The Hawke's Bay infection highlighted to all farmers and industry the need to continue the activities of TB vector eradication, testing and surveillance
- There is growing community engagement and support for Predator Free NZ 2050 objectives; while there are those opposed to the use of 1080 for our aerial operations, which is a small percentage of our total control activity, we still retain the "social licence" to carry out our management programme

- Farmer understanding of the need for compliance with their NAIT obligations has continued to rise as the *Mycoplasma bovis* incursion response continues
- Similarly, the broader social familiarisation with the tools of contact tracing, surveillance, and movement control in use during the COVID-19 response, echo and help reinforce understanding of the tools we use in disease management and the need to ensure NAIT obligations are met.

Focus for 2020–2021

Delivery of an updated Research and Development Strategy which aligns with the objectives of our two programmes, and a strategy to increase support for our farmer-led committees, are two key matters for this year.

2020–2021 Objectives and activities

Objectives	Activities
<ul style="list-style-type: none"> • Development of an OSPRI Committee Strategy 	<ul style="list-style-type: none"> • Deliver an OSPRI Committee Strategy to reinvigorate membership and attendance levels
<ul style="list-style-type: none"> • Research and Development 	<ul style="list-style-type: none"> • Deliver an updated Research and Development Strategy 2020–2024 that is focused on short-term applied science research investments to support effective delivery of the TBfree and NAIT programmes

Measuring success in 2020–2021

Ref	Key Performance Indicator
14.	Report six-monthly on progress against the 2020 OSPRI Stakeholder Survey conclusions and recommendations
15.	Research and Development Strategy, focused on applied science and technology, is designed and implemented



2020-2021 Budget overview

Summary

In the 2020-2021 budget the Group continues to draw on existing reserves, running a deficit budget as it implements its 3-year plan to rebuild the organisation, invest in infrastructure and develop capability to prepare itself for the future.

In preparing the 2020/21 budget, key assumptions made include:

- Implementation of the new regional operating model
- Continued investment into IT systems, industry engagement and staff culture including capital expenditure of \$5.8 million of which \$5 million relates to the ISSP programme

- Reduction in testing costs as we start to implement Targeted Testing during the year
- The carry over of any unspent operational activity as a result of COVID-19; this will be additional to the proposed budget and is currently expected to be \$4.4 million
- TBfree slaughter levy rates are anticipated to remain at existing levels, although COVID-19 may see a slight reduction in levy income in the short term, before slaughter capacity is restored and the back log is cleared.

This budget has been funded to a certain extent by implementation of the Targeted Testing programme, reducing depopulation costs in outlying years and wider costs savings. The Group has sufficient reserves to support the proposed budget.

Operational expenditure

The Group's operational budget for the 2020-2021 year is below.

Budget

2020/21 (\$000)	TBfree	NAIT	OSPRI Group
Revenue (incl interest)	61,445	7,935	69,388
Expenses			
Pest control and management	36,430		36,437
Disease management and testing	15,188		15,188
NAIT operations		1,639	1,639
Research	2,197		2,197
Contact Centre and compliance	1,066	1,120	2,186
Business service support	11,271	7,175	18,446
Total operating expenses	66,152	9,934	76,093
Surplus/(Deficit)	(4,707)	(1,999)	(6,705)

Capital expenditure

In addition to the operational budget the Group has also set aside the following amounts for capital expenditure, subject to appropriate approvals.

2020–2021 (\$000)	OSPRI	TBfree	NAIT	OSPRI Group
ISSP programme		2,529	2,529	5,058
Lease refurbishment	400			400
Computer replacements	240	40		280
Office fixtures and fittings	50			50
Total Capital Projects	690	2,569	2,529	5,788

Cash flow/balance sheet

Both the deficit and proposed capital expenditure are funded from existing reserves which sees the Group's:

- Retained Earnings (Equity) reducing from \$33 million to \$26 million
- Cash reducing from \$35 million to \$24 million.

Long-term modelling suggests that the Group has sufficient reserves to support the current investment in capability, capacity and infrastructure for the next couple of years, following which we would expect the Group to return to a more business as usual approach with a reduction in overall costs in years 3 and 4.

Measuring success in 2020–2021

Ref	Key Performance Indicator
16.	Finances are managed efficiently and within budget

2020-2021 KPIs

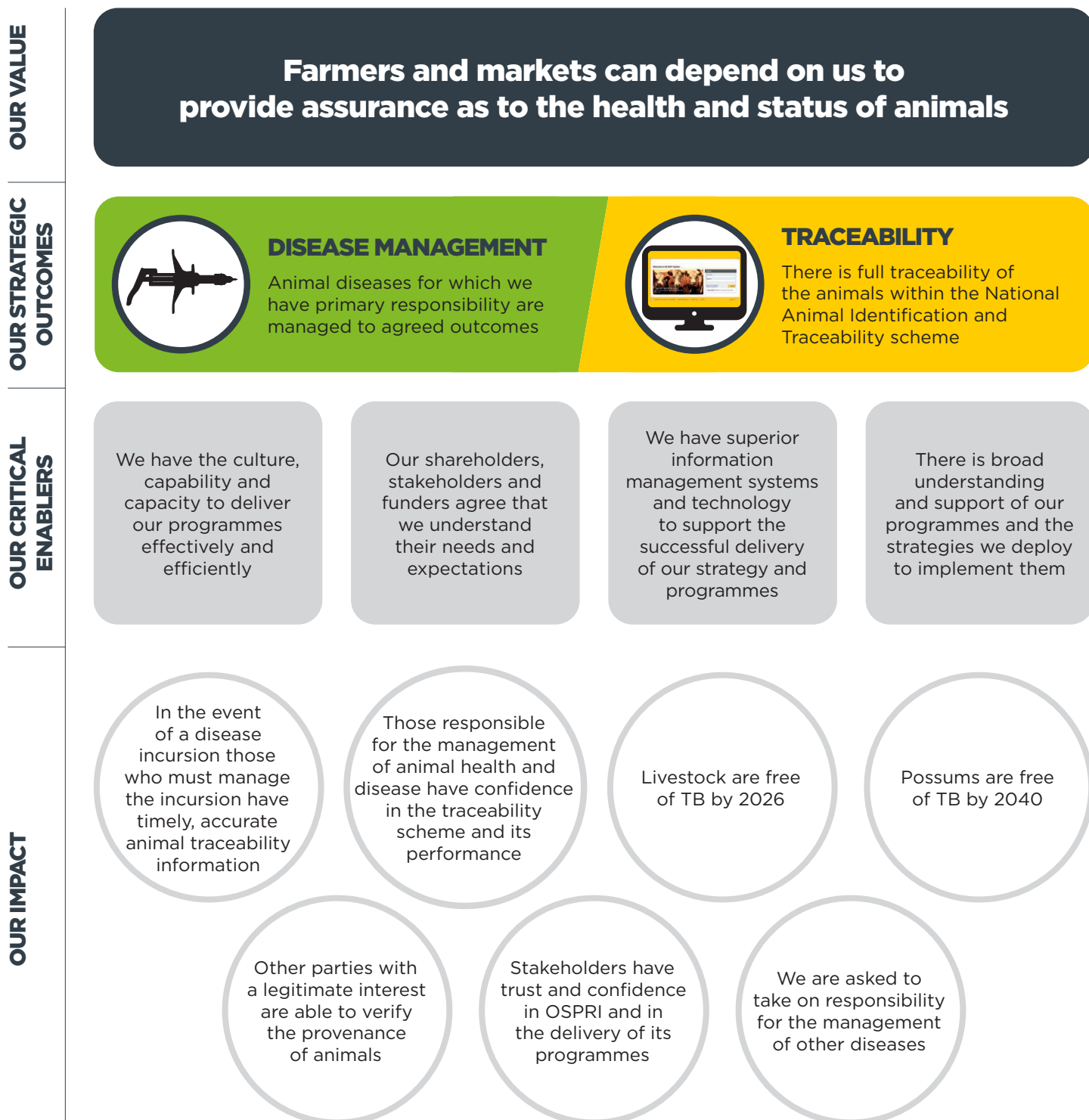
This table sets out those KPIs which will be monitored during the year and reported on externally. Other measures set out in this document are internal targets.

Key performance indicators 2020-2021

1.	Maintain national infected herd period prevalence of no more than 0.2%
2.	There is a reduction of 200,000 hectares of TB vector risk areas
3.	Through Targeted Testing there is a reduction of approximately 15% in annual cattle and deer numbers tested, equivalent to 550,000 tests and savings of at least \$2 million
4.	80% of animal movements are recorded within 48 hours
5.	OSPRI achieves a 75% engagement score in its staff engagement survey
6.	The OSPRI Total Recordable Injury Frequency Rate (TRIFR) reduces by 16% (from 25.0 to 21.0)
7.	A land access strategy, including with iwi, is developed and implemented
8.	Progress the ISSP meeting time, quality and cost specifications including the following milestones: <ul style="list-style-type: none"> a. Complete a procurement process to select a software solution to manage disease and pest management capability by 30 December 2020 b. Implement an upgrade to CRM to support first release of the OSPRI Portal by 30 June 2021 c. 35% of OSPRI Portal capability progressed by 30 June 2021
9.	Report six-monthly on progress against the 2020 OSPRI Stakeholder Survey conclusions and recommendations
10.	Research and Development Strategy, focused on applied science and technology, is designed and implemented

Appendix: Strategic Plan 2019–2024

Strategic Plan framework



Strategic Plan KPIs (to 2022)

Ref	Key Performance Indicator
1.	There are no more than 13 TB infected status cattle or deer herds
2.	There are no more than 5.60 million hectares of TB vector risk area
3.	Full implementation of Risk-Based Testing reduces annual stock numbers tested by 139,000 per annum for beef, 364,000 per annum for dairy and 40,000 per annum for deer
4.	95% of new animals subject to NAIT and registered from 2020 have lifetime traceability
5.	The traceability system is assessed by incursion managers as “functional or fully functional” in relation to a range of disease incursion scenarios
6.	90% compliance with NAIT Regulations as measured on the Traceability Compliance Scale
7.	A performance review of NAIT in 2022 reports favourably on our system against international tracing systems
8.	85% of stakeholders express “trust and confidence” in OSPRI and its programmes
9.	We have assumed responsibility for the management of at least two additional animal diseases
10.	OSPRI has achieved a top quartile result in our staff engagement survey
11.	Unplanned attrition is less than 10% annually
12.	90% of primary users are positive about the functionality and usability of our information technology and systems
13.	We collaborate and partner with others to achieve biosecurity objectives of mutual benefit

