OSPRI

Annual Report
Pūrongo ā-tau

2022–2023

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

This is the Annual Report for OSPRI New Zealand Limited and its wholly owned subsidiaries National Animal Identification and Tracing (NAIT) Limited and TBfree New Zealand Limited.

The TBfree New Zealand Limited Annual Report provides a review and report on the Operational Plan for the National Bovine Tuberculosis Pest Management Plan, as required under section 100B(1)(b) and section 100B(2)(a) of the Biosecurity Act 1993.

The National Animal Identification and Tracing (NAIT) Limited Annual Report provides a review and report on how the NAIT organisation is addressing the Government's expectations of it, the performance of its functions and duties, and its financial statements, as required under sections 10A(1)-(2) and 63 of the National Animal Identification and Tracing Act 2012.

NAIT TBfree

OSPRI New Zealand Limited's shareholders and funders:

DairyNZ beef+lamb new zealand Deer Industry New Zealand Ministry for Primary Industries Manatū Ahu Matua

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

Beef+Lamb New Zealand

Dairy Companies Association of New Zealand

DairyNZ

Deer Industry New Zealand

Department of Conservation

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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Chair and CE report
Ngā pūrongo a te Heamana me te Tāhuhu Rangapū

Relationships with our shareholders, funders and wider stakeholders continue to strengthen as we work together for the benefit of New Zealand's primary industry and biosecurity system.

Focus areas this year

The organisation and Board have been focused on several key matters this year.

- Continuing to protect herds in areas at high risk of the wildlife transmission of TB and delivering pest management operations to reduce infected herd numbers in Hawke's Bay and Hari Hari.
- Running the TB programme three-year health check, a preparatory step for the upcoming full TB Plan review which must ensure the programme is set up and funded to continue working towards the Plan's TB freedom targets.
- Delivering the technology investment to make the NAIT system easier for farmers to use, including seamless integration with third party farm systems.
- Continuing to work with industry, farmers, and MPI on NAIT compliance – while there have been improvements in some legislative requirements, we know there is still more to be done.
- Concluding the NAIT funders' agreement which provides for the programme's funding to 2025.
- Ensuring the transition to OSPRI managing the surveillance phase of the *M. bovis* programme is seamless and there is no impact on OSPRI's existing programmes.
- Strengthening leadership capability in the organisation.

TBfree

In FY2023 the TBfree programme has:

- delivered a better-than-targeted reduction in Vector Risk Area
- continued to reduce testing for farmers through changes to Disease Control Areas
- focused on management of the infections in Hawke's Bay and Hari Hari with a decline in infected herd numbers in both areas
- demonstrated its flexibility in the response to Cyclone Gabrielle
- worked hard to build relationships and partner with landowners, including iwi, enabling access to land, some of which harbours TB infection.

However, there are challenges. TB is a biological system and can have a long tail due to latent or undetected infection in herds. Inflation has eroded our ability to continue to deliver our operations in the same way and we need to utilise technology and other tools to drive down costs. The TB health check has highlighted these matters.

Traceability

We need farmers to use NAIT because they see value in its wider benefits, and not just as compliance obligations.

Our education and assistance campaigns this year have been aimed at helping farmers get their NAIT records up to date and early intervention for those struggling, with referrals to our regional partners for education and support.

Our joint efforts with MPI's NAIT Compliance team will shift in the next financial year to focus on the requirement to record animal movements. While there is better compliance with the 48-hour reporting requirement, it is still too low. This follows improvements in the registration of animals before their first off farm movement.

Barry Harris
Chair

Steve Stuart
Chief Executive

Information systems delivery

The MyOSPRI farmer portal is in use by many farmers to complete an electronic version of the Animal Status Declaration form that must accompany the movement of animals to processing and grazing. Feedback is that this is easy to use.

An ASD API is now active and LIC is working on the integration of this into MINDA, the system used by many dairy farmers. This will allow MINDA users to create an ASD in MINDA using the MyOSPRI solution and is a first critical step for the future integration of MINDA with MyOSPRI.

The next phase of development – the new NAIT system in MyOSPRI is taking longer than expected due to the complexity of the existing legal framework and system and challenges including with data migration. The Board is focused on delivering a quality product and is undertaking external assurance of the revised delivery timeframe.

We also understand farmers only want to input data once, and connection between MyOSPRI and third-party systems is a key requirement for the new system.

M. bovis

The Board and management are committed to ensuring that OSPRI is set up for success and taking on *M. bovis* will not impact ongoing progress in the TB and NAIT programmes. The additional staff being recruited to deliver the *M. bovis* long-term surveillance programme, will join both our existing strong regional teams that work directly with farmers and the Wellington office.

A dedicated programme team is coordinating the delivery and reporting of required transition work to ensure subject matter experts can remain focused on their primary areas of work.

People

The OSPRI team and the stakeholders with whom we work closely, are the backbone of our programmes.

The People Strategy has continued to be expanded this year, with two levels of leadership training now available for OSPRI people. This, together with new senior appointments, has strengthened the leadership capability of the management team.

There is a new framework for our farmer-led OSPRI Committees, with Committee Chairs working closely with our regional partners to deliver activities under a regionally focused plan.

After nine years, Barry Harris steps down from the OSPRI Board at the November Annual Meeting, and the Board has elected Dr Paul Reynolds as its new Chair.

FY2024

FY2024 is the last year of OSPRI's current five-year strategic plan.

OSPRI and its operating environment have changed a lot since that plan was adopted, and as the Board starts the process of developing its next strategic plan, the organisation is about to enter a new phase that includes:

- taking on the management of the *M. bovis* programme
- undertaking the 10-year review of the TB Plan
- delivering the integrated technology platform investment
- considering how to leverage investment in technology
- delivering additional value to farmers.

Acknowledging the busy and challenging future, OSPRI, in partnership with its funders and stakeholders, is in a good place to tackle this work.

Stakeholders' Council report
Te pūrongo a te Kaunihera Kaipupuru Pānga

While receiving quarterly updates during FY2023 on OSPRI's transformation programme – the transition of the *M. bovis* programme and MyOSPRI development – the Council has continued to monitor the progress of the two existing programmes, TBfree and NAIT.

Given the pressures of OSPRI's current workload, we note the efforts to strengthen organisational capability through senior management appointments and the attention being paid by the Board and management to people wellbeing and retention.

M. bovis

The Council notes the expression of stakeholder confidence in the decision that OSPRI take on responsibility for *M. bovis* long-term management.

We have questioned the Board on the funding and resourcing demands required to implement the transition work and ongoing programme, and emphasised the need for a seamless change for farmers and employees within both OSPRI and the current *M. bovis* team.

NAIT and MyOSPRI

The Council notes recent progress in the NAIT programme:

- three years of funding has been agreed
- some areas of compliance are improving
- new accreditation for industry participants is underway
- electronic Animal Status Declarations have been delivered in MyOSPRI.

But there is more to be done and the Council will continue to monitor compliance statistics closely.

The replacement of NAIT in the MyOSPRI system is an important initiative. In its discussions with the Board, the Council has emphasised it is vital this work is done well, incorporating useability feedback from farmers and ensuring a smooth transition from current NAIT processes, even if this means delaying the release date.

Additionally, we have highlighted the need to maintain clear stakeholder communications, take the farming calendar into account in determining the revised delivery timeframe, and ensure NAIT / MINDA system integration.

TBfree programme

The Council continues to challenge the Board to:

- ensure that TB testing protocols are targeted in line with risk, especially given the cost increases of the testing programme
- explore how to deliver all of a year's planned operational activity, noting there continues to be an operating surplus in the TB budget at the end of the financial year.

This year the interruption caused by Cyclone Gabrielle had some impact on operational delivery. The Council was pleased to learn about the measures to alleviate regulatory pressure on farmers affected by that weather event.

The TB infected herd number has been relatively constant this year. The Council notes that the detection of latent infection may have impacts for the 2026 target. With only a few years until that milestone, we look forward to discussing the findings of the TB Plan health check in relation to target achievability and long-term funding.

James Buwalda
Chair Stakeholders' Council

Board membership

Two shareholder resolutions were passed at the November 2022 Annual Meeting, on the recommendation of the Council:

- Paul Reynolds was appointed to the OSPRI Board
- Barry Harris' term as director (and Chair) was extended to the November 2023 Annual Meeting.

The Council has reviewed and provided feedback on the independent Board evaluation carried out this year, noting that competence in the technology domain will be important for the future given the IT transformation programme in progress.

Council membership and budget

The Department of Conservation joined the Stakeholders' Council this year. As DOC often works closely with the TBfree programme on operational delivery, it will be a valuable addition to the Council.

The Council thanks Paddy Boyd, representative for the NZ Deer Farmers' Association, and Nicky Hyslop, the Beef+Lamb NZ representative, for their valued work and welcomes their organisations' new representatives – Justin Stevens and Scott Gower respectively.

My current term as Chair concludes in June 2024, but Council members have requested me, and I have agreed, to continue for a third 3-year term (until June 2027). I want to thank all members of the Council for their continued engagement with our work, and the Board for the constructive relationship we have built.

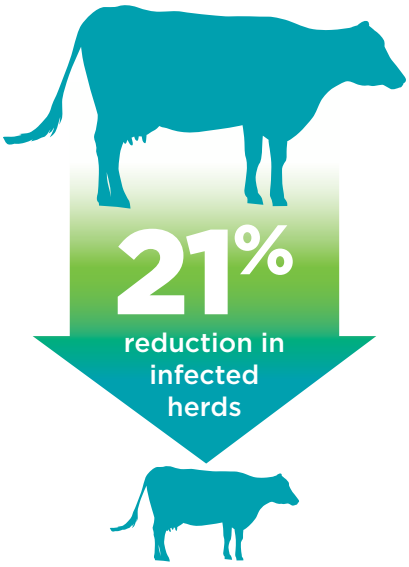
The Council underspent its FY2023 budget (actual spend $78.9k vs $95k budget) mainly due to not having commissioned any independent research this year. Four meetings were held during the year, all of which were a hybrid of in-person and online attendees.

The Council's focus for the upcoming year

- Effective progress in the two main programme areas including improvements to NAIT compliance, and implementation of the follow up actions from the TB Health Check recommendations.
- Development of a MyOSPRI that makes farmers' interactions with OSPRI processes easier.
- Effective implementation of *M. bovis* long-term management responsibility, including attention to staff retention, securing scale economies and achieving cultural change.
- The capacity to fund further development of IT systems that will be required over coming years.

Key highlights of our year
Te mahi nui o tō mātou tau

TBfree

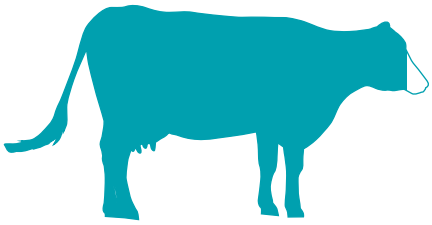


TB health check
nearing completion

194,068
hectares declared free of TB

NAIT

Funders' agreement to
2025
signed



95%
of animals are registered prior to first movement

16
organisations
accredited against the new standards

Over 70
NAIT upskilling sessions held

Mid-Canterbury
support plan launched

Figure 1: Our key highlights for 2021–2022

MyOSPRI

Ongoing release of
new NAIT functionality
for farmer group preview and testing

Release of
ASD
farm to farm and farm to meat processor in MyOSPRI

M. bovis

Business case
approved

Transition plan
in place

Recruitment plan
underway

Support functions

Leadership training
programmes run – Tune In (2) and Kahikatea (2)

ISO45001
Health and Safety certificate re-validated for another 3 years

74%
confidence rating
from stakeholders

OSPRI safety leadership measure
exceeded target by 18.3%

Support Centre Net Promoter Score of
59
(Dec 2022)

About OSPRI
Mō OSPRI

OSPRI New Zealand Limited (OSPRI) was established in 2013 by bringing together the Animal Health Board Inc and National Animal Identification and Tracing (NAIT) Limited. OSPRI is funded by levies from farmers via its shareholders – DairyNZ, Beef+Lamb New Zealand, Deer Industry New Zealand – and Government investment through the Ministry for Primary Industries.

OSPRI's Strategic Plan 2019–2024

OSPRI's Strategic Plan 2019-2024 details the strategic outcomes, enablers for success and impacts that the organisation expects to deliver in that five-year period. See the plan at https://www.ospri.co.nz/assets/ResourcePDFs/OSPRI-Strategic-Plan-2019-2024.pdf

The Strategic Plan was reviewed in early 2022. It was found to be fit for purpose, but some key performance indicators were updated to ensure a sharp focus on priority work.

Our Board of Directors

Barry Harris (Chair)
Committees:
HR, Audit and Risk

Susan Huria
Committees: HR

Nikki Davies-Colley
Committees: Audit and Risk

Michael James
Committees:
Audit and Risk (Chair)

James Parsons
Committees:
HR, Audit and Risk

Fenton Wilson
Committees: HR (Chair);
Audit and Risk
(to March 2023)

Dr Paul Reynolds QSO
Committees:
Audit and Risk
(from March 2023)

For full bios of our Board members visit:
www.ospri.co.nz/about-us/our-people/board-of-directors/

OSPRI's purpose

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.

OSPRI manages two national programmes – TBfree and NAIT

TBfree

The goal of the TBfree programme is 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

NAIT is New Zealand's national animal identification programme. It records where animals are in the supply chain, from farm to meat processing, for the purposes of managing animal health, disease outbreaks, food safety and biosecurity risks.

The programme applies to farmed cattle and deer.

Our Leadership Team (at 30 June 2023)

Steve Stuart
Chief Executive

Mary Cording
General Manager, People

Kevin Forward
Head of Traceability

John Tucker
Chief Information Officer

Vivienne Larsen
General Manager, Service Delivery (Lower South Island)

Angela Leong
Chief Operating Officer / Chief Financial Officer

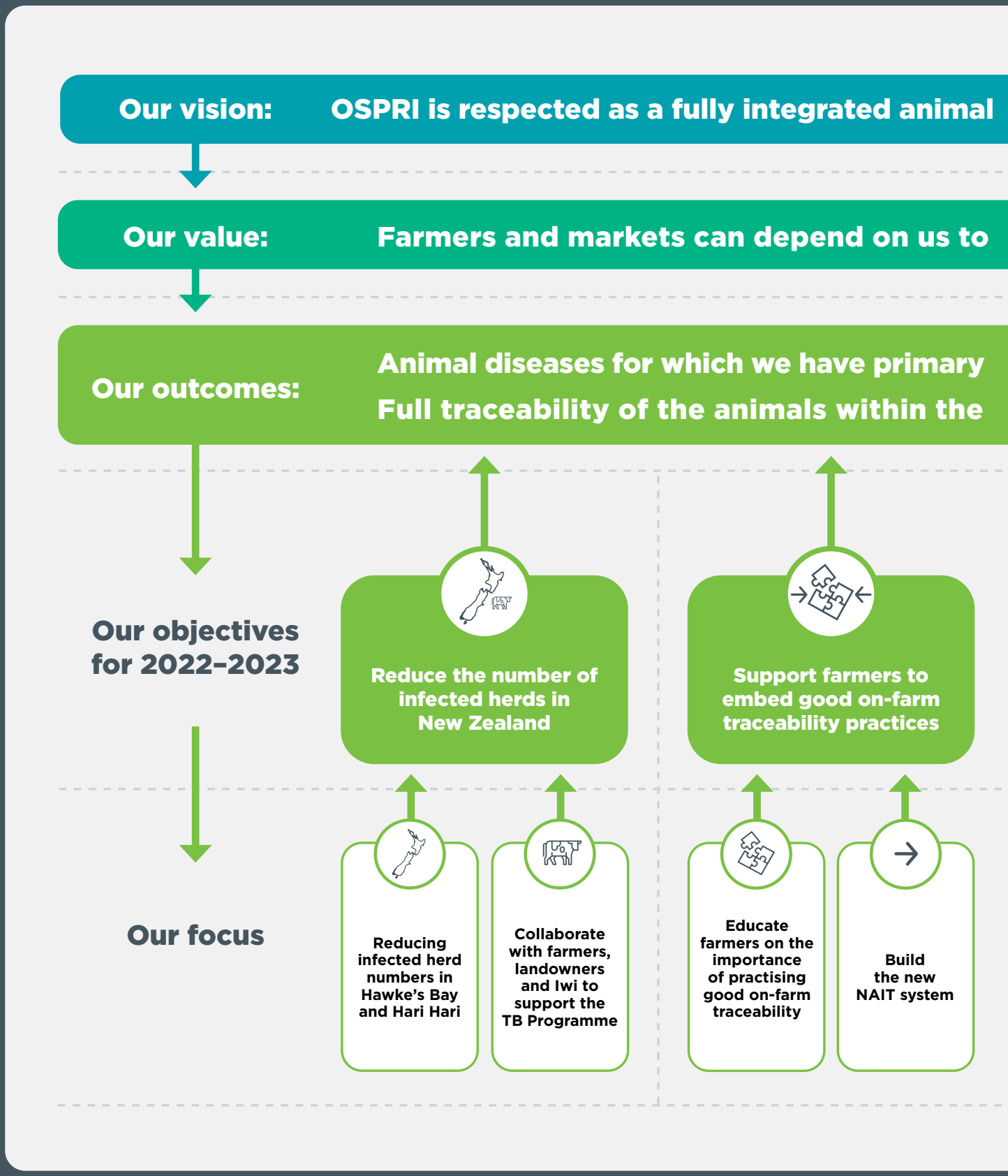
Don Purdon
Director, Programme Management Office

Helen Thoday
General Manager, Service Delivery (North Island)

Danny Templeman
Acting General Manager for Disease Control Planning and Integration; General Manager, Service Delivery (Upper South Island)

For full bios of our Leadership Team members visit:
www.ospri.co.nz/about-us/our-people/executive-leadership-team

Our objectives for 2022–2023
Ō mātou whāinga poto 2022–2023



“OSPRI is sharply focused on delivering tangible value to farmers and stakeholders.”

Steve Stuart, Chief Executive

Figure 2: OSPRI’s objectives for 2022–2023

disease management organisation

provide assurance as to the health and status of animals

responsibility are managed to agreed outcomes

National Animal Identification and Traceability scheme

Evolve OSPRI for the future

Make OSPRI a great place to work

Integrate our key transformation initiatives to deliver improved customer services

Plan for the transition of *M. bovis*

Invest in the capability of our people

Embed a culture of health, safety and wellbeing in the workplace

Objective | Whāinga Poto

1

Reduce the number of infected herds in New Zealand
He whakaheke i te maha o ngā kāhui kua pokea i Aotearoa

Our focus

Reducing infected herd numbers in Hawke's Bay and Hari Hari.

Collaborate with farmers, landowners and iwi to support the TB Programme.

2022–2023 KPIs

Reduce the number of infected status cattle or deer herds to less than 18.	**NOT ACHIEVED** At 30 June 2023 there were 19 infected herds nationally a reduction of 21% from 30 June 2022, and the number briefly stood at 18 in early July 2023.
Reduce the total TB Vector Risk Area to less than 6.35 million hectares, with a priority focus in risk areas.	**ACHIEVED** At 30 June 2023 the total TB Vector Risk Area in New Zealand is 6.29 million hectares following 194,068 hectares being independently approved as free of TB.

Detailed results for the TBfree programme and this year's research and development programme are reported in the Detailed disease management statistics section.

Infected herds at 30 June 2023

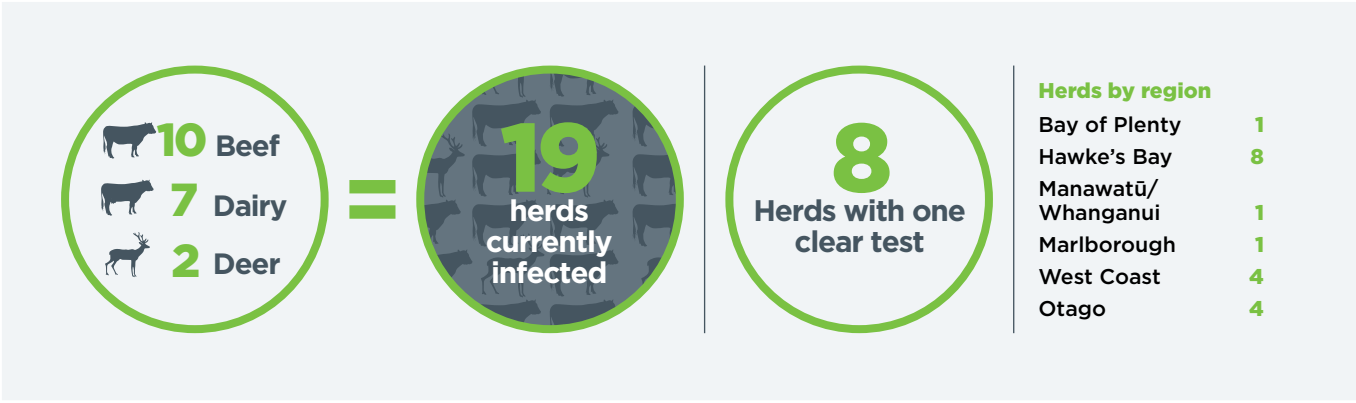
The rate of TB reduction slowed this year as particular herds were prioritised, however the 30 June 2023 total of 19 infected herds is the lowest end of year number the programme has reported. This was a reduction of 21% from the 2022 end of year total of 24. One week after the end of year, in early July 2023, there were 18 infected herds.

The Hawke's Bay response area has six infected herds at year end, two of which have one clear test. Two other herds in the wider Hawke's Bay area are not considered part of the 2019 incursion.

Hari Hari infected herds reduced to three, from seven at the beginning of the year. All three herds have one clear test.

There are four infected herds split across two geographic areas in the Otago region; two have one clear test. To be declared clear, herds require two clear tests, taken six months apart.

Figure 3: National TB infected herds, 30 June 2023



Vector operations and testing

$31.5 million of vector operational work was delivered this year.

The programme continued to clear Vector Risk Areas (where local wildlife populations have been or remain infected with TB) and to reduce the testing burden on farmers through reduction in Disease Control Areas. Details of changes are in the Detailed disease management statistics section.

Most Hawke's Bay operations were able to re-start after Cyclone Gabrielle, but some inaccessible work was paused. The testing programme provided flexibility for farmers in impacted areas who needed to move animals quickly or had infrastructure challenges.

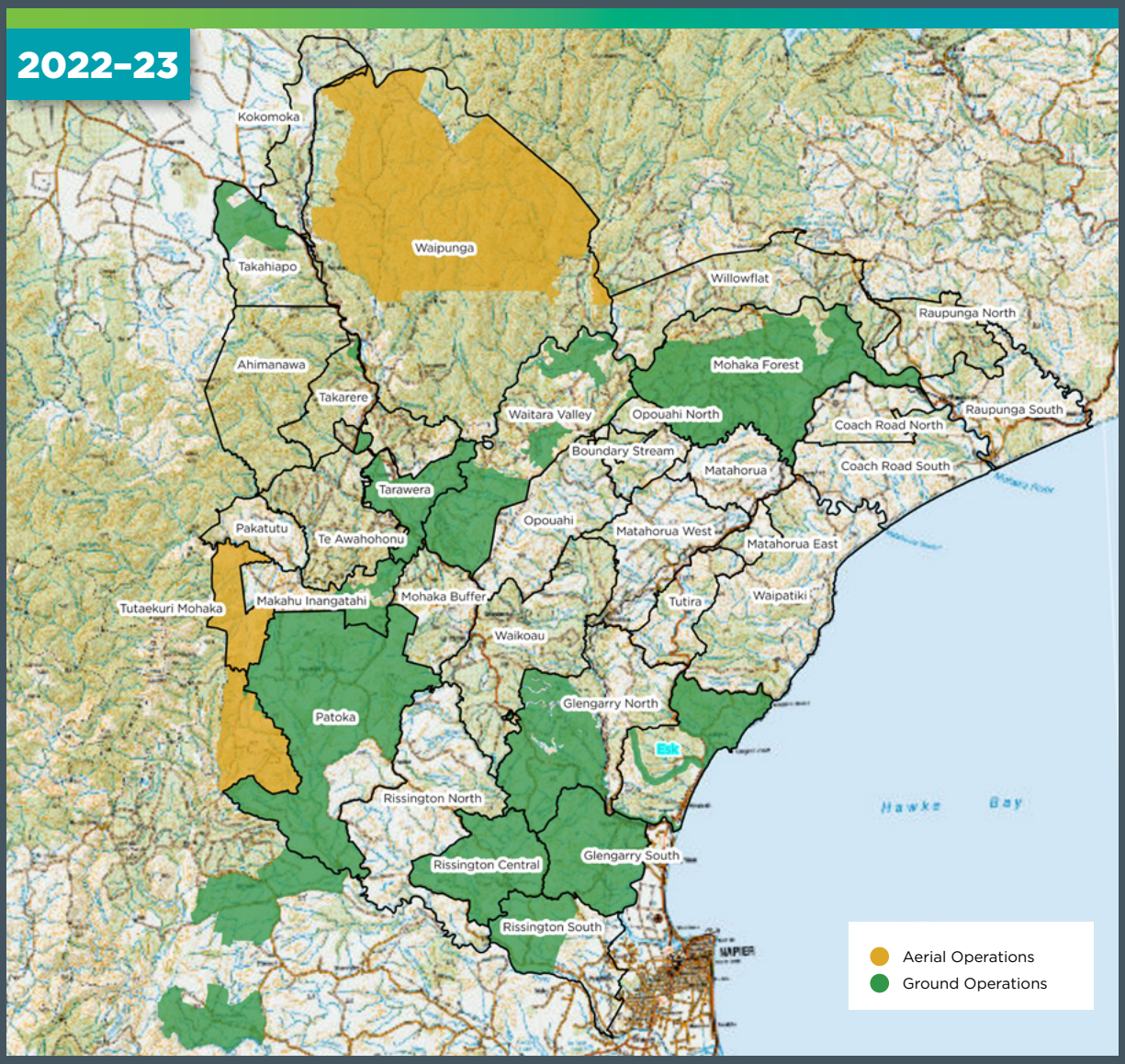
$4.8 million of operations work is being carried forward to the next financial year, mainly due to the inability to find suitable weather windows for aerial work, with minor impacts to the programme from Cyclone Gabrielle and access issues.

Good progress continues to be made to build relationships with landowners and find common interests in removing TB-infected wildlife from land, and to deliver operations in kea habitat with the support of the Department of Conservation.

TB Plan health check

The 2023 health check of the TB programme has shown that the approach adopted after the 2020 health check – to protect herds and treat the source of infection – is sound. The health check has emphasised the main challenge is cost, with increases in on-farm testing and vector control putting milestones at risk.

Hawke's Bay response area operations



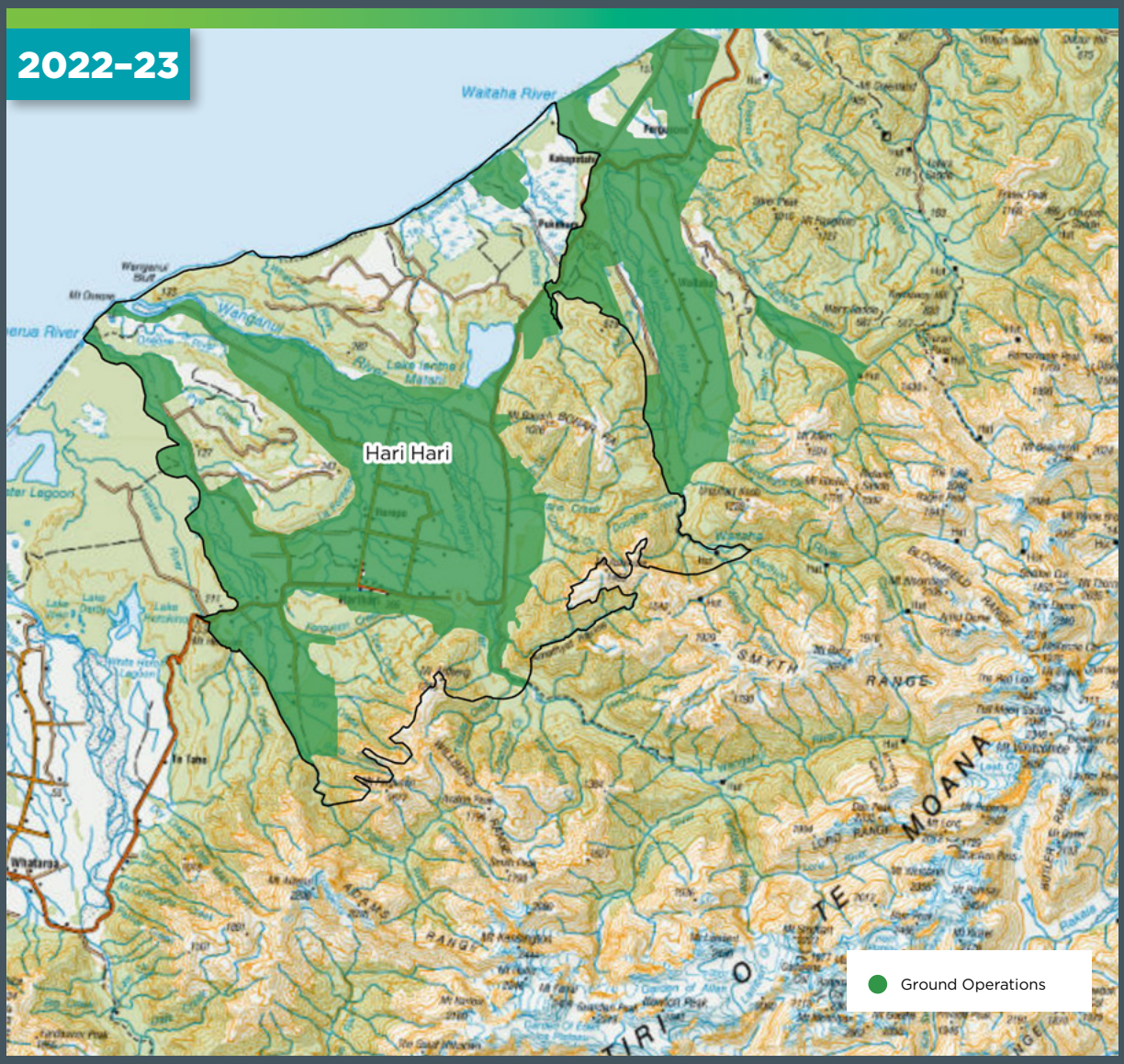
Map 1: Operations in Hawke's Bay 2022–2023

The Hawke's Bay incursion began in April 2019 and our five-year control operation commenced in October that year. The table shows the size and cost of operations in the past four financial years. Note the Hawke's Bay response area is larger than the Hawke's Bay high risk area reported on at page 53.

Hawke's Bay response	2019-2020	2020-2021	2021-2022	2022-2023	Total
Hectares of aerial operations	34,936	43,500	40,346	28,845	**147,627**
Hectares of ground operations	80,607	127,709	168,548	84,018	**460,882**
Hectares of surveillance	41,406	12,686	0	0	**54,092**
Operational spend	**$3,464,115**	**$5,457,150**	**$6,883,928**	**$4,437,243**	**$20,242,436**

Figure 4: Total operations (ha) and cost ($) in Hawke's Bay 2019-2023

Hari Hari response area operations



Map 2: Operations in Hari Hari 2022-2023

From 2020 we have been managing a cluster of TB infection around Hari Hari. The table below shows the size and cost of operations in the past three financial years. Note, while the Hari Hari response area is essentially the same geographic area as the Wanganui River Catchment (see page 53), the table below does not include performance monitoring, carry-forwards or aerial progress payments but these are included in the table on page 53.

Hari Hari response	2020-2021	2021-2022	2022-2023	Total
Hectares of aerial operations	–	37,095	–	**37,095**
Hectares of ground operations	29,511	46,148	28,426	**104,085**
Hectares of surveillance	–	162	–	**162**
Operational spend	**$880,879**	**$2,096,848**	**$654,498**	**$3,632,225**

Figure 5: Total operations (ha) and cost ($) in Hari Hari 2020-2023

Our response to Cyclone Gabrielle

When Cyclone Gabrielle swept through Hawke's Bay in February earlier this year, OSPRI's Hawke's Bay Regional Partner, Tess Appleby, lost her newly purchased home to the waves of silt brought in by the Waipawa River flooding through Waipawa.

Tessa Appleby
OSPRI Hawke's Bay Regional Partner

Tess was devastated. Once she had processed what had happened to her, she started helping where she could in her community.

"OSPRI was incredible in that they gave me the space I needed to deal with the devastation and help my community, and I'm so grateful for that. I really did need to focus on getting my house, insurance and everything else sorted. I was pretty shell-shocked, but then I also wanted to be there for the farming community.

"Hawke's Bay is my tūrangawaewae and it was incredibly hard to see how the devastation had affected its people and the landscape. As one of the people helping on the ground, I wanted to be a part of OSPRI's response and be there so we could deliver what was needed for the farmers.

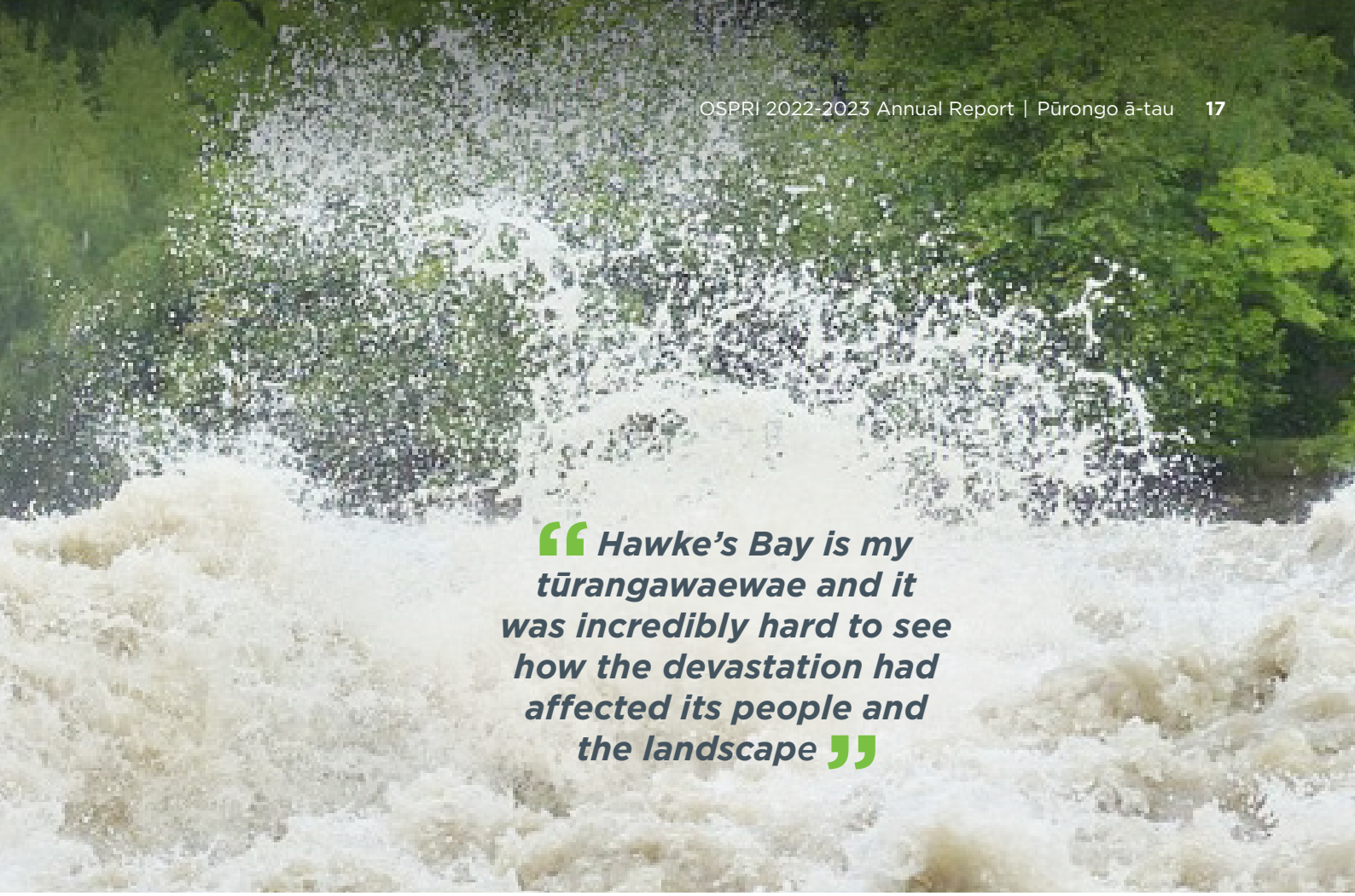
"We needed to look after the people in whatever way we could, including extending NAIT recording timeframes, making temporary changes to TB testing in the area or ringing around committee members to make sure they were ok.

"I attended industry meetings to hear the intel that was coming from different communities so the work we were all doing was in a coordinated and collaborative way."

Temporary easing of movement control restrictions on a case by case basis

One of the first things OSPRI did to help Hawke's Bay farmers following the cyclone was to offer flexibility on TB testing – OSPRI found ways to accommodate those needing to move cattle and deer from the Movement Control Area.

OSPRI's Acting General Manager for Disease Management at the time, Danny Templeman, says the main priority was people and animal safety.



"Hawke's Bay is my tūrangawaewae and it was incredibly hard to see how the devastation had affected its people and the landscape"

"We took a pragmatic approach if the usual pre-movement testing couldn't be done in the area. We knew that the cyclone would impact feed levels, on-farm infrastructure, or traditional animal movements like calf sales. So, if the usual pre-movement testing couldn't be completed, we gave farmers the option to request an exemption to pre-movement testing.

"That's not to say we were putting farms at risk of spreading TB. We remained acutely aware of the animals in the Movement Control Area and managed farms on a case-by-case basis. And for those farmers who still wanted pre-movement testing – and there were many who wanted to do the right thing for the TB programme and ensure animals leaving were tested – we provided solutions for them, but only if it was physically safe for our testers. Post-movement testing was the alternate option where it wasn't safe to test on farm."

Pest management operations in the affected areas

Aerial and ground operations were also put on hold to give affected farmers time to repair and recover, says Tess. "Because the cyclone affected many of the farmers in the area, we wanted to be mindful of what everyone was going through and take stock before resuming aerial operations."

Aerial operations included Maungataniwha, Waitara and Coach Road, which are now all at the operational phase.

Ground operations were assessed and continued where OSPRI's contractors could safely access land and habitat after the cyclone. These include operations in some of our priority disease areas: Rissington, Glengarry, Patoka, Whanawhana and Waipunga.

Extending NAIT reporting timeframes

OSPRI also extended NAIT reporting timeframes to help ease some of the pressure on farmers. This included extensions to registering as a PICA, reporting dead or missing animals, tagging and registering animals and recording movements.

While these legislative requirements still needed to be recorded due to the importance of animal traceability and biosecurity, the extensions provided farmers with some more breathing room to meet their NAIT obligations.

Objective | Whāinga Poto

2

Support farmers to embed good on-farm traceability practices
He tautoko i ngā kaiahuwhenua kia whakapūmautia ngā tikanga aroturuki papai i runga pāmu

Our focus

Educate farmers on the importance of practising good on-farm traceability.

Build the new NAIT system.

2022–2023 KPIs

Achieve 72.5% compliance with NAIT obligations as measured on the traceability compliance scale (indicative, aggregated across the range of available NAIT compliance measures).	**NOT ACHIEVED** At 30 June 2023 the traceability compliance scale was 68.6%. While NAIT compliance continues to trend upwards, the pace of improvement needs to quicken.
Delivering a NAIT system that is easy to use and fit for purpose.	**IN PROGRESS** A system that is easy for farmers to use and meets the needs of stakeholders drives the development of the new NAIT system in MyOSPRI. OSPRI is focused on delivering a quality product and this is taking longer than originally planned.

NAIT compliance continues to improve slowly

The traceability indicative compliance scale was 68.6% at 30 June 2023 but a high of 72.3% was recorded at the end of quarter 3 (31 March 2023).

The % of animals registered prior to their first movement continues to be high – 94.5% at 30 June 2023.

The % of movements recorded within the 48-hour statutory period is improving slowly. At 30 June 2023 it was 59.3%, but was 66% at the end of the preceding quarter. The decline in timely movement recording seen in quarter 4 is usually due to the increased volume of movements on Moving Day.

Movement recording is the next focus of the NAIT and MPI compliance teams. This will concentrate on ensuring all movements are recorded, to fix the issue of broken chains, rather than focus on the timeliness of recording.

Figure 6: Improvements in the indicative compliance scale FY2019 – FY2023 (FY – financial year, July to June)

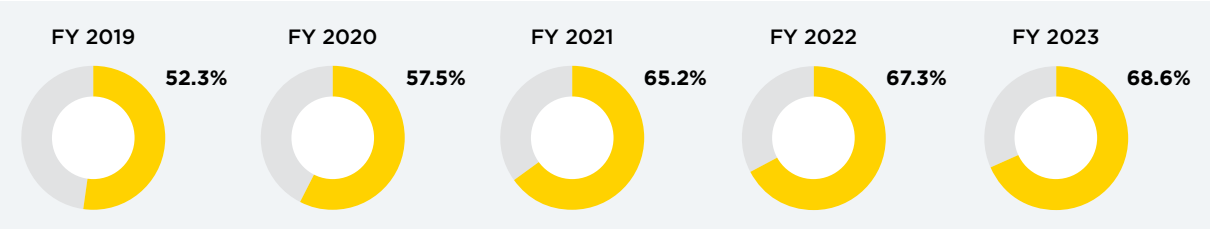
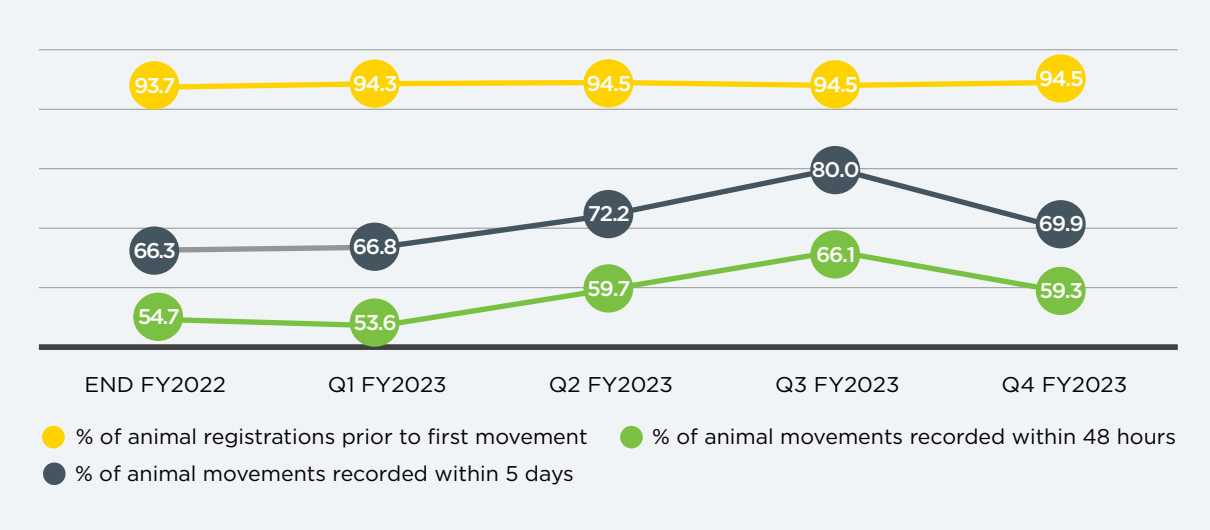


Figure 7: % of registrations prior to first movement and % of movements recorded within 48 hours and 5 days



Joint responsibility for compliance under the VADE model

Education and assistance to farmers

Under the VADE compliance model, OSPRI is responsible for education and assistance (the Voluntary and Assisted functions of the model).

The pages overleaf show OSPRI's engagement with farmers through its Support Centre, team of Regional Partners, and communications campaigns.

Mid-Canterbury campaign

Following the resurgence of *M. bovis* in mid-Canterbury in late 2022, education and support to farmers in that region has been increased. A targeted support campaign in the Wakanui area aims to help farmers get their NAIT accounts sorted. A NAIT education campaign including workshops, drop-in centres and webinars was launched in the greater Ashburton district.

MPI and OSPRI ran an early intervention programme for farmers in the region who were identified as not meeting their NAIT obligations, offering them support and education before infringements or prosecutions were taken.

Direction and enforcement

MPI is responsible for the Directed and Enforced functions of the VADE model. MPI has provided the following statistics of activity in the 2022-2023 year (figures 8 and 9). The majority of the prosecutions, written warnings and infringements are for failure to register animals.

Figure 8: MPI prosecutions for breaches of the NAIT Act by region during 2022-2023

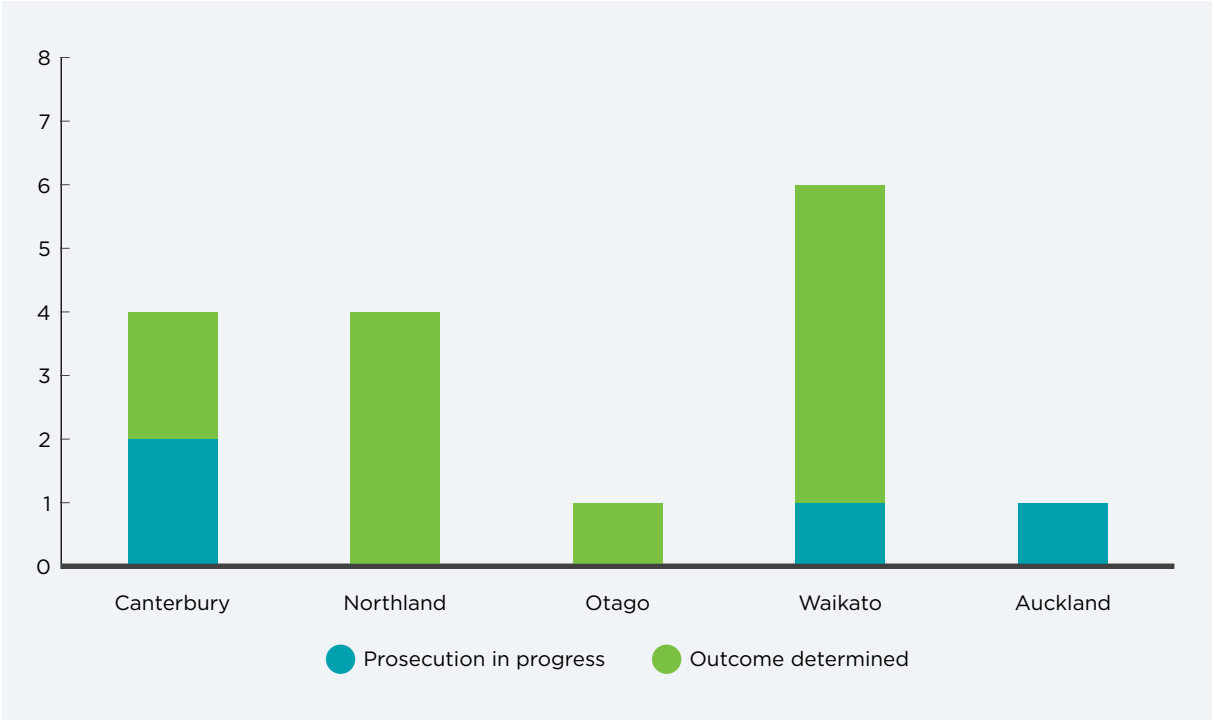
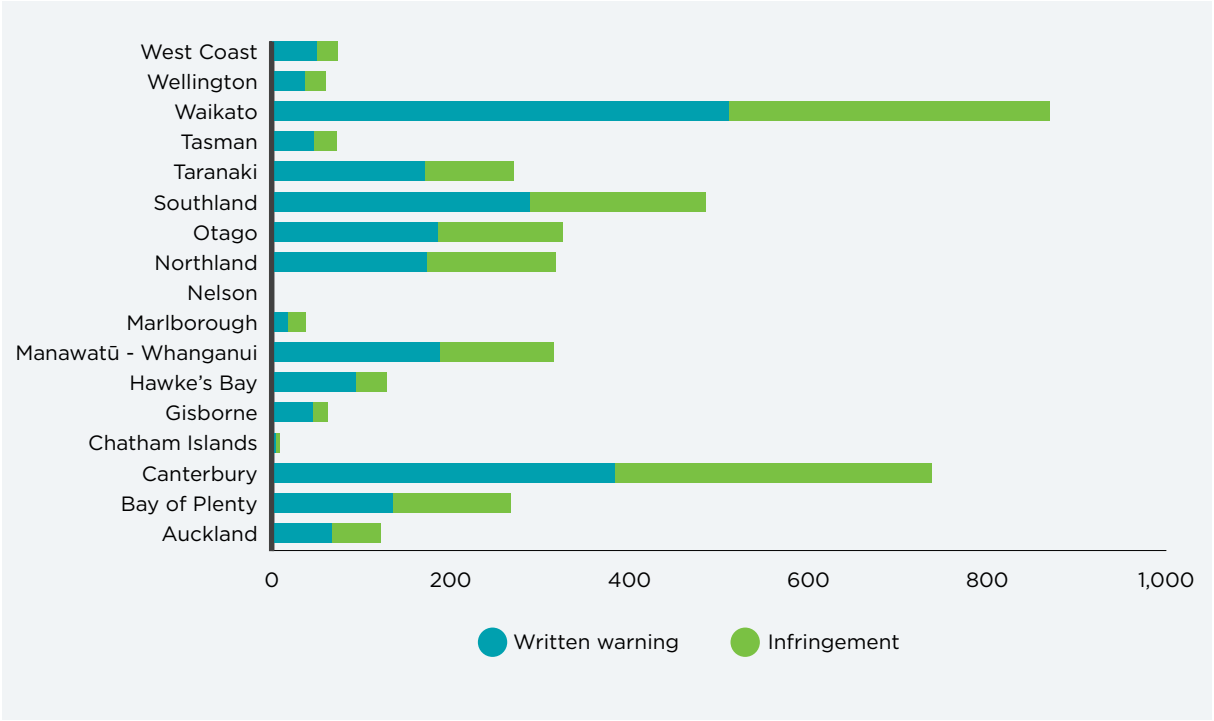
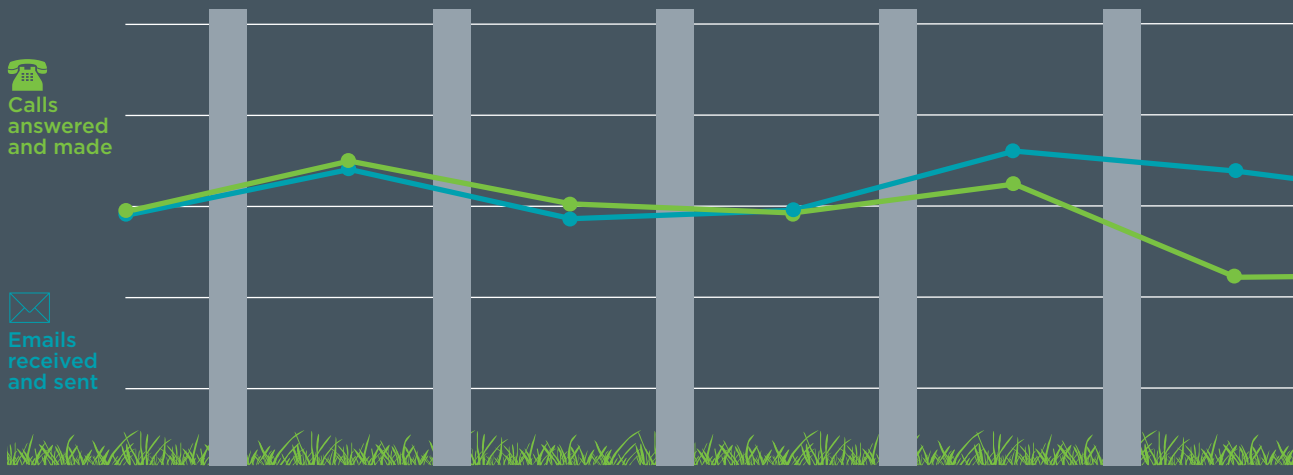


Figure 9: Written warnings and infringements by region issued by MPI during 2022-2023

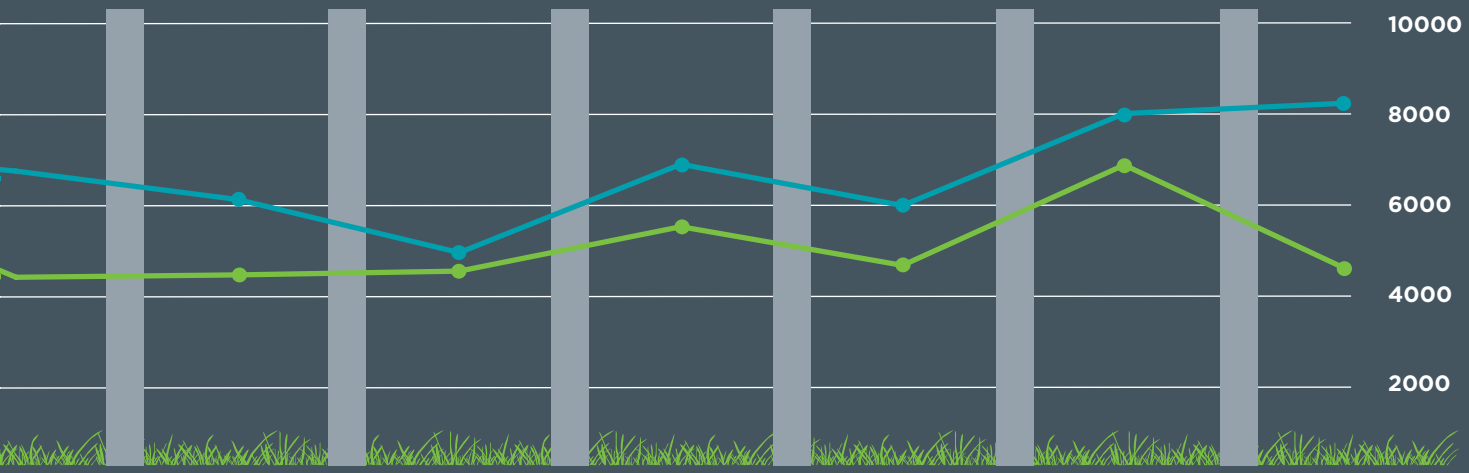


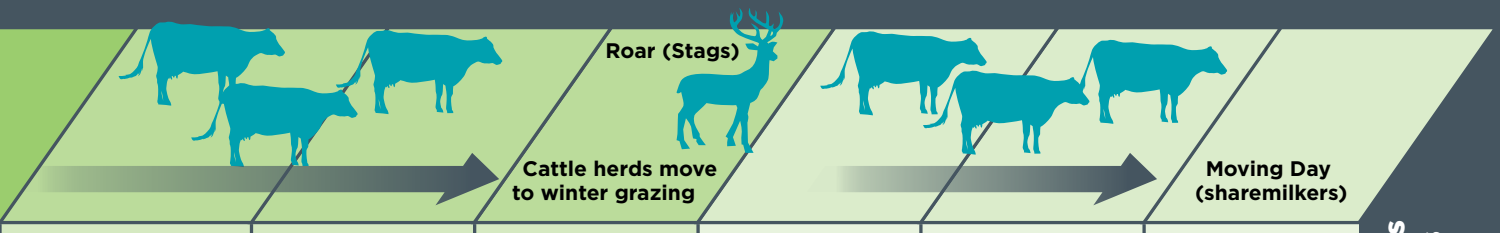
Connection with farmers throughout the year



July	August	September	October	November	December
• Calving • Mid-level offenders • MyOSPRI farm to meat processor ASD goes live 24 July	• Calving • Mid-level offenders • MyOSPRI release 3.2 live 28 August	• Bull movements	• Foot & Mouth Disease awareness (with MPI) • Bull movements • MyOSPRI release 3.5 live 10 October	• Foot & Mouth Disease awareness (with MPI) • MyOSPRI 3.6 live 3 November	• MyOSPRI 3.7 live 10 December
• NAIT workshops x 9 • NAIT Technical Reference Group (TRG) meetings • NZYF community roadshow • B+L AgInnovate conference • Farmsource farmer event • Pāmu biosecurity presentations x 2 • MyOSPRI onboarding for meat works x 2 • AQ farmer meetings x 3 • Saleyard visits x 2 • Te Tau Wairehau o Marokura predator control project meeting • Deer Stalkers Association meeting	• NAIT workshops x 5 • OSPRI Committee meetings x 2 • Saleyard visits x 2 • FarmIQ training x 2 • Beef+Lamb Generation Next x 2 • Growing Future Farmers module	• NAIT workshops x 6 • DairyNZ farmer events x 8 • Scanner workshops x 3 • Lifestyle Farmer Expo Mosgiel • Masterton Spring Cattle Sale • Yearling bull sales • Saleyard visits x 2 • DINZ conference Waipawa • Aerial engagement • FarmIQ training • Agriwomen's event • AQ staff conference • MPI truck audit	• NAIT workshops x 1 • DairyNZ events x 8 • OSPRI Committee meetings x 10 • Lifestyle block workshop x 1 • Ballance Farm Environment Awards Field day • Wairarapa A&P show • B+L meeting x 1 • Saleyard visits x 2 • Aerial engagement x 2 • Sika Show (2 day event) • AgFest West Coast • M. bovis workshop	• NAIT workshops x 14 • NAIT TRG meetings • OSPRI Committee meetings x 2 • DairyNZ events x 3 • Lifestyle block workshop x 1 • Pāmu biosecurity workshop • Federated Farmers meeting • Saleyard visits x 6 • South Otago River Care Farm Forestry Day • Balclutha A&P show • Tapanui A&P show • Canterbury A&P show • Aerial engagement • Winter grazing workshop • FarmIQ training	• NAIT workshops x 2 • DairyNZ events x 1 • National Fieldays • Young Farmers' meeting • Saleyard visits x 1 • Aerial engagement • Federated Farmers' meeting

Figure 10: Support and education provided to farmers through Support Centre contact, communications and campaigns, and farmer events





Communications and Campaigns

January	February	March	April	May	June
• MyOSPRI 3.8 live 19 January	• TBfree – Disease Control Area change notifications	• MyOSPRI sign up pilot • MyOSPRI 3.10 live 28 February	• Buying / selling weaner calves • MyOSPRI sign up pilot	• Moving Day • Mid-Canterbury NAIT awareness • Buying / selling weaner calves • MyOSPRI 3.11 live 10 May	• Calving • Moving Day • Mid-Canterbury NAIT awareness • Mid-level offenders • MyOSPRI 3.12 live 7 June

Events

OSPRI people ran or attended in addition to farmer visits and local farmer and rural group meetings

January	February	March	April	May	June
• NAIT workshops x 4 • NAIT TRG meetings • Saleyard visits x 5 • DairyNZ events x 1 • LIC conference • Aerial engagement	• NAIT workshops x 3 • DairyNZ events x 9 • Saleyard visits x 5 • OSPRI Committee meetings x 7 • Lifestyle workshops x 2 • Aerial engagement • Federated Farmers' meeting	• NAIT workshops x 10 • DairyNZ events x 9 • OSPRI Committee meetings x 1 • Northland Field Days • Central Districts Field Days • South Island Agricultural Field Days • Multiple cyclone check ins with farmers, vets • Saleyard visits x 8 • Lifestyle block events x 3 • Rural Agribusiness summit • B+L event	• NAIT workshops x 6 • DairyNZ events x 7 • Federated Farmers meeting • Lifestyle workshops x 2 • Saleyard visits x 5 • MPI event x 1 • Fonterra meeting • Aerial engagement	• NAIT workshops x 10 • DairyNZ events x 5 • Saleyard visits x 4 • NAIT TRG meetings • Carterton and Featherston Field Days • B+L events x 2 • DINZ conference • Agri women's development trust • Aerial engagement	• NAIT workshops x 8 • National Fieldays • Gisborne Field Days • OSPRI Committee meetings x 8 • DairyNZ events x 4 • B+L events x 4 • Federated Farmers event x 1 • Lifestyle block workshop x 1 • Saleyard visits x 4

MyOSPRI update

Electronic Animal Status Declarations functionality for moving animals to meat processors or to other farm locations is now used by many farmers.

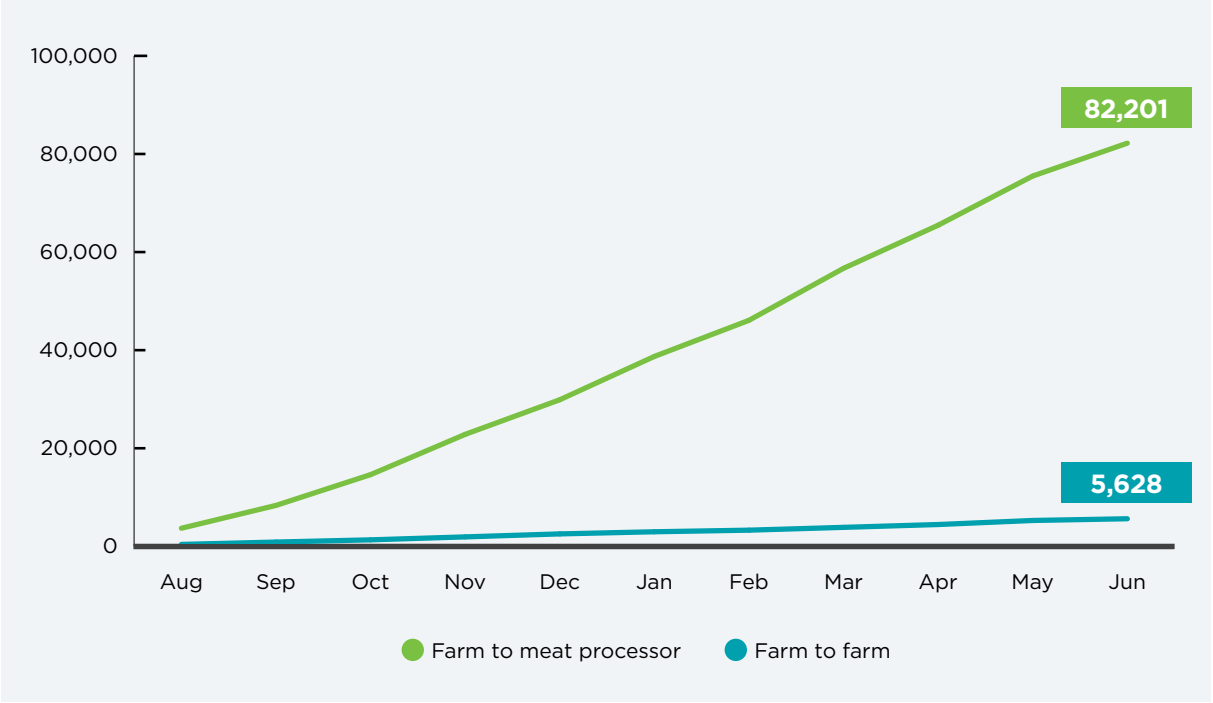
Following high levels of satisfaction from farmers using MyOSPRI, one meat processor is launching a mobile application with embedded MyOSPRI ASD web pages, making it seamless for farmers to use and an example of industry added value.

During the year a number of modules for the new NAIT system have been released into MyOSPRI preview mode, where a group of farmers are testing and providing feedback on useability and design to OSPRI's development teams.

While continuing to progress NAIT in MyOSPRI, OSPRI has encountered headwinds in terms of capability and complexity that have placed pressure on the timelines. The key focus is to deliver a quality product that meets farmers' expectations, is fit for purpose, easy to use and creates efficiencies for the organisation.

A revised delivery plan is being independently assessed to obtain assurance that the timeline can be delivered.

Figure 11: Rolling total of ASDs created in MyOSPRI from 24 July 2022



NAIT and third-party providers

The connection between systems is an important part of the timeline for OSPRI's technology programme. This is to ensure that farmers who use a third-party provider only need to enter information in one system, and that it seamlessly and accurately delivers that information to MyOSPRI so that farmers meet their NAIT obligations. The MyOSPRI timeline includes the development of OSPRI APIs to enable this. Third-party technology providers will then develop the connections from their systems.

NAIT and LIC, the provider of MINDA (the main third-party provider used by the dairy industry), have been working together since 2019 to improve the alignment between NAIT and MINDA. A number of technology solutions and manual processes are in place to address data errors and senior management meet every two months. However, user attitudes and behaviour remain the greatest causes of data inaccuracy.

A MINDA to NAIT reconciliation exercise was undertaken in the past year, following a 2019 baselining exercise, and showed an improvement in alignment of the two systems. Alignment is now at 87%, up from 84%.

NAIT and LIC have also increased education and support for farmers through joint workshops, with a focus on supporting the wider Canterbury region.

MyOSPRI has replaced eASD

In July 2022, MyOSPRI replaced eASD as OSPRI's electronic solution to Animal Status Declarations (ASDs).

Farmers can send both farm-to-farm and farm-to-meat processor ASDs using MyOSPRI for cattle, deer, and sheep.

MyOSPRI is our new online customer portal that will become our single system for animal traceability. In the future MyOSPRI will replace the NAIT system and include disease management information. This means that farmers can complete their NAIT obligations, review disease management testing and laboratory information, and fill out ASD forms all in one place.

For Otago committee member Alan Harvey, he's optimistic about MyOSPRI from a farmer's perspective and thinks the programme has the potential to supply 'new smarts' for the farmer. "There are quite a few benefits going for the new platform and it's easy to navigate."

Completing ASD forms is a key part of the animal traceability process and the move from paper forms, to eASD, to ASD in MyOSPRI means that it is becoming easier for farmers to move animals.

OSPRI's Chief Information Officer, John Tucker, says building ASD functionality into MyOSPRI was the first step in creating a platform that integrates animal traceability and disease management and improves the experience for farmers. "Our customers using ASD in MyOSPRI are starting to see the benefits of a smart, electronic solution."

For Melissa Sowden, who works for Silver Fern Farms, using electronic ASD forms means the information is more accurate, complete, and legible.

"Paper ASDs were often incomplete or incorrect, so our people had to chase suppliers to try and get all the correct information needed. Having good information when the stock arrives enables greater market access for our farmers. Better information means we can market more of our meat as a premium product."

ASD in MyOSPRI has also been developed as a web responsive website, meaning farmers can download it and save it to their desktop or mobile phone like an app.

Silver Fern Farms has made animal movements even easier for farmers by enabling them to submit their ASD's directly from their supplier experience app, says Digital Product Owner at Silver Fern Farms, Carolien Blair.

"The Silver Fern Farmer app provides visual, up-to-date data at your fingertips to make doing business with Silver Fern Farms easy. Suppliers can now create their MyOSPRI ASD's directly from a Silver Fern Farms booking without leaving the app. We've pre-populated as many of the answers as we can to make it even easier. This connection between a booking and an ASD supports our traceability journey."

The uptake of ASD in MyOSPRI has demonstrated that a digital, easy to use platform is better for the farmer and meat processor. This also means that OSPRI receives better data, which will help strengthen New Zealand's biosecurity system.

"Having good information when the stock arrives enables greater market access for our farmers. Better information means we can market more of our meat as a premium product"

Melissa Sowden, Silver Fern Farms

Objective | Whāinga Poto

3

Evolve OSPRI for the future
He kawe i a OSPRI ki roto i te ao o āpōpō

Our focus

Integrate our key transformation initiatives to deliver improved customer service.

Plan for the transition of *M. bovis*.

2022–2023 KPIs

75% of Stakeholders' Council and the Committee Chairs express confidence in OSPRI and its programmes, measured six-monthly.	**NOT ACHIEVED** A confidence rating of 74% was achieved in interviews conducted with the Stakeholders' Council Chair and OSPRI Committee Chairs during March-April 2023 (i.e., measured once only in the year).
A business case and accompanying plan for the transition of *M. bovis* is ready for implementation.	**ACHIEVED** The business case was approved by the *M. bovis* Governance Group in May 2023. OSPRI's Programme Management Office has developed the timeline plan and workstreams to ensure OSPRI is ready to take on the *M. bovis* programme at 1 November 2023.

Figure 12: Themes recorded during interviews with farmer Committee Chairs and the Chair of the Stakeholders' Council

74% confidence rating

TB FREE

- Disease Control Area reduction is a good sign of progress
- Securing adequate funding is critical
- Good to see improved relationships that will enable land access
- A good job through the Cyclone Gabrielle response
- Concerned about recent infections

NAIT

- Satisfied that increased funding is secured, while not optimal
- Farmers need to see increased delivery of value
- Industry-wide commitment to traceability is needed
- Eager to get an improved NAIT system but concerns about gap in expectation vs delivery

OSPRI

- New technology must have tangible benefits for farmers
- *M. bovis* transition is a good indication of confidence
- Multiple high-volume change projects in parallel are challenging
- OSPRI keeps improving but more work is needed for farmers to feel they are getting the full benefit of their investment

Transformation initiatives

M. bovis transition

The OSPRI Board gave in principle approval to the transition of the *M. bovis* programme to OSPRI from 1 November 2023 under an operating agreement, with a National Pest Management Plan to be implemented in mid-2024, subject to Government decisions.

The business case for the 1 November 2023 transition was approved by the *M. bovis* Governance Group in May 2023.

Three senior OSPRI people were seconded to MPI during the year to work on the *M. bovis* programme. In addition, a dedicated OSPRI Transition Manager worked to:

- assist MPI with preparation of the business case
- develop the transition plan and workstreams within OSPRI to progress the transition
- report to the Board on the progress of workstreams and the status of readiness criteria.

Programme Management Office managing key programmes

OSPRI has set up a Programme Management Office to plan and oversee the delivery of:

- the *M. bovis* transition from MPI to OSPRI on 1 November 2023
- the key IT programmes in progress – NAIT in MyOSPRI and the disease management system replacement
- stakeholder engagement plans for these programmes.

This team is resourced to oversee the change programmes and support the business sponsors of each project, ensuring that business as usual work within the programmes is not impacted.

Sam O'Donnell working in new ways with landowners

In my new role as Manager Partnerships, within the North Island Service Delivery team, the focus is on people.

The OSPRI organisation has been focused on operational planning and delivery of the TBfree programme from a disease perspective, which has been successful in eradicating TB from many areas. Our possum control work has provided farmers with protection of their livelihoods from the impacts of TB and therefore is generally supported by them.

My role supports the delivery of the TBfree programme by providing visibility of external risks to our vector control programme before we run into them.

Our biggest risk currently is trust – some of our most important non-farmer stakeholders are wary of OSPRI.

My primary focus is to recalibrate the way we engage with non-farmer external stakeholders of the TBfree programme – by taking a human-centric, collaborative approach to our partnership work in the Central North Island. This is important for the TBfree programme as we need to gain access to land adjoining farmland, and which harbours TB-infected wildlife.

There's great opportunity for OSPRI's work to provide collateral benefit that will be noticed and appreciated. My favourite definition of partnership is "an on-going working relationship where risks and benefits are shared." In practice this means taking a holistic view of the landscape and people – how can we support the aspirations of our stakeholders so they in turn can support our TBfree objectives? We do this by building trust – taking care of people and being aware of the impacts to their lives and communities of our past, present, and future work. Over the past year we have already noticed a change in sentiment from many of our stakeholders.

Our Māori stakeholders have expressed frustration/concern with our old way of consultation and operational delivery on land that they have deep ancestral connection to – they are mana whenua. As kaitiaki of the land and their people, the role of mana whenua is multi-faceted; to ensure that the health of the environment is protected, but also to protect all that is valuable to Māori, including the people. If we recognise and respect the values of our Māori stakeholders, it opens space for us to build authentic and effective relationships and deliver benefits for all.

Objective | Whāinga Poto

4

Make OSPRI a great place to work
He whakaū i te wairua o OSPRI hei wāhi mahi pai

Our focus

Invest in the capability of our people.

Embed a culture of health, safety and wellbeing in the workplace.

2022–2023 KPIs	
60% of OSPRI people are in the upper quartile of the talent matrix.	**ACHIEVED** 66% of OSPRI people are in the upper quartile of the talent matrix with 91% delivering consistently.
OSPRI's internal aggregated health, safety and wellbeing score reduces from 13 to 9.	**ACHIEVED** At 30 June 2023, the health, safety and wellbeing score was 9.

OSPRI people in 2023

139.8
fixed term equivalents

143
permanent employees

6
fixed term employees

37
contractors

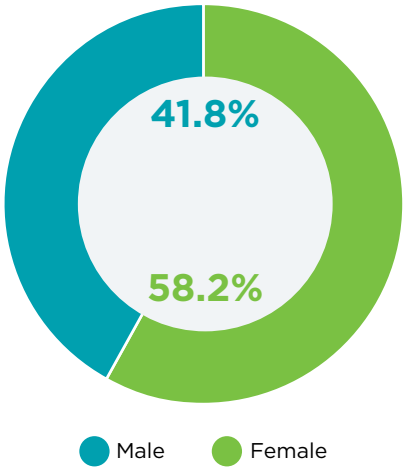


Figure 13: Gender breakdown of OSPRI people in 2023

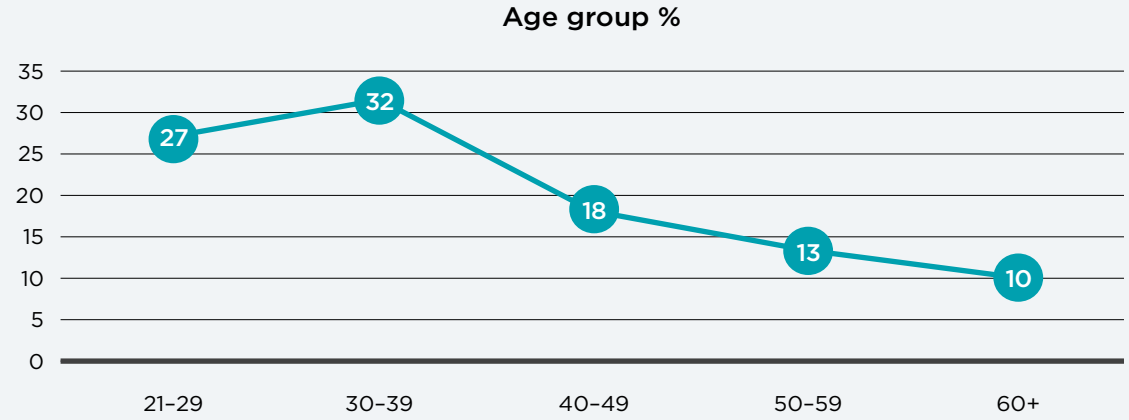


Figure 14: Age demographics of OSPRI people

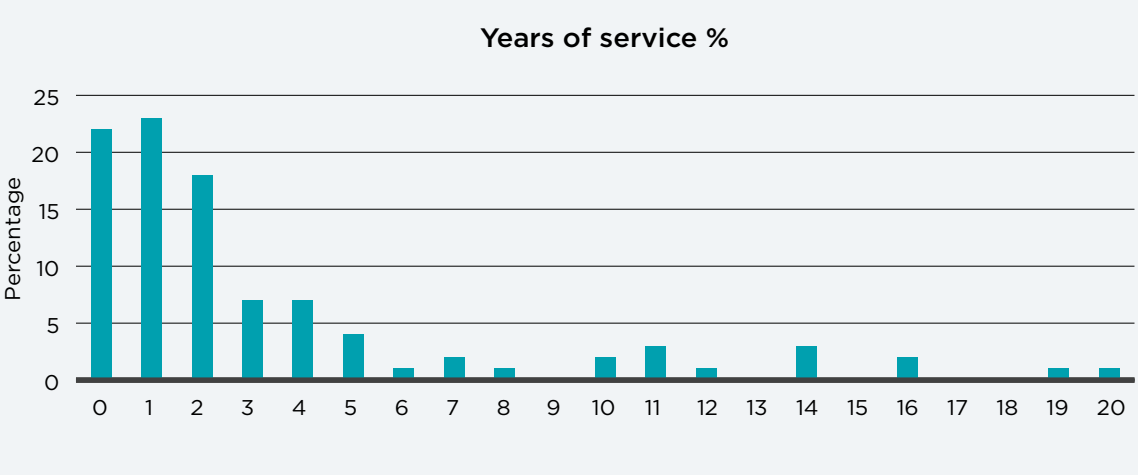


Figure 15: OSPRI people's years of service

Continuing delivery of the OSPRI People Strategy

The OSPRI People Strategy was introduced in 2021. This year saw a focus on training and updating onboarding processes ahead of the *M. bovis* programme recruitment.

Leadership capability training

Two TuneIn courses were run during the year. This workshop helps people to grow individual capability and personal belief in their potential and performance outcomes.

The first intake of the Kahikatea programme, the leadership development course for OSPRI people leaders and emerging leaders, concluded in November 2022. The 2023 cohort ran from March to August. This six-month programme is designed to lift the capability of business leaders within OSPRI, creating a human centred leadership culture and growth mindset.

O week

The O(rientation) week programme was developed pre-pandemic but couldn't be delivered. This year it has been updated and a pilot session run.

It is a two-day introduction to OSPRI's programmes, culture and teams, designed to help new people become familiar with the organisation, build personal connections, and develop a sense of belonging.

Kahikatea – empowering OSPRI's leaders

Karen Ashby
Field Services Manager

The kahikatea is a tree native to New Zealand. It groups closely with other kahikatea, intertwining its buttressed roots with its neighbours for support in unstable ground. It is perhaps for this reason that the kahikatea has evolved with a straight trunk with no lower branches, to enable it to grow tall and strong with others for stability.

The objective of OSPRI's Kahikatea Leadership Development Programme is to build inspirational and strong leaders who can deliver the purpose and outcomes of OSPRI in an environment in which they are inspired to do great work. The result is leaders who are self-aware and who can self-manage, who are emotionally agile and are both strong and compassionate.

Karen Ashby is OSPRI's Field Services Manager for the Upper South Island. As a recent Kahikatea graduate, she shares her experience of the programme.

What are some key benefits that you learned from the programme that you have used in your role?

An important value I took away was about respecting people's time. If you only need five minutes, don't block out 30 minutes in their diary. We also learned how to identify different people traits, which helps us to recognise if someone is feeling burnt out, stressed, or flustered. We're empowered to reach out and ask how that person is doing and support them where it's needed.

What parts of the programme did you enjoy the most?

The big thing for me was the relationships that we made as a cohort. It was a good mix of people across the organisation. It strengthened our relationships so much that I was easily able to go and approach any leader in another department.

There are now 12 people who have a level of trust, support, and respect for each other that we couldn't have gained through just working as colleagues.

Did you feel supported by your managers and OSPRI whilst in the programme?

Absolutely. A part of the programme was regular scheduled one-on-one meetings with our manager, where we discussed and reflected on our learnings. It really gave me an opportunity to see the way my manager operated and understand his perspective on the programme. I also noticed that it was a really good way for me to also discuss different leadership styles and human-centred leadership with him.

It was great to see People and Culture and our Executive Leadership Team being actively involved as well. You could tell that they were part of the bigger picture because they were present, and they made themselves available.

Would you recommend the programme to others?

Without a doubt. It's a great opportunity to further develop your skills as a people leader and foster relationships with other leaders across the organisation. I have nothing but positive comments for the programme and I really appreciate that OSPRI has taken our feedback and used it to make future editions even better.

Health and safety

Health and safety statistics

The total number of recordable injuries for FY2023 was 13, up from 6 in the previous financial year.

The all-injuries frequency rate increased to 59.5 (from 42 in 2021-22).

The TRIFR (Total Recordable Injury Frequency Rate) rose to 16.6, reflecting the increase in injuries.

As well as focusing effort on reducing the number of slips, trips and falls, particularly during the autumn and winter months, OSPRI is working with contractors to ensure the safer delivery of TB testing on farm.

ISO accreditation

OSPRI first gained ISO45001 accreditation in 2020. This year OSPRI's certificate has been revalidated for another three years.

We are committed to safeguarding the wellbeing of our people by reducing harm, proactively managing critical risks and ongoing improvement of our health and safety performance. We aspire to create a workplace where safety is not merely a priority but a core value of our organisation.

Health, Safety and Wellbeing scorecard

At 30 June 2023, OSPRI's aggregated health, safety and wellbeing score was 9.

The OSPRI scorecard amalgamates lagging, leading and wellbeing indicators, providing a comprehensive snapshot of performance compared with our objectives and strategy to steer us towards a sustainably safe future.

Figure 16: OSPRI's health, safety and wellbeing integrated score card at 30 June 2023

CATEGORY	CRITERIA	ASSESSMENT	SCORE
TRIFR (total recordable injury frequency rate per million hours worked)	L under 15 M between 15-20 H 20-30 E greater than 30	M 16.6 Up from 10.5 at 1 July 2022	**2**
Absenteeism	L up to 59 days per annum taken (rolling average) M between 60-99 days H between 100-119 days E between 120-140 days	L 49 rolling average	**1**
Use of OSPRI's employee assistance programme	L up to 6 connections per quarter M 6-11 per quarter H 12-15 per quarter E 16 and greater	L 3 referrals	**1**
Outstanding annual leave balances (% of people in excess of 20 days)	L up to 5% of employees with leave over 20 days M 5-10% over 20 days H 10-20% over 20 days E over 20%	M 9% of people (13) with over 20 days leave balance	**2**
Number of overdue incident investigations	L under 12 M between 13-24 H between 25-36 E greater than 37	L 1 outstanding	**1**
Number of overdue actions	L under 10 M between 10-19 H between 20-35 E greater than 35	L 2 outstanding	**1**
% of field audits overdue	L less than 20 M between 21-50 H between 51-89 E greater than 90	L all regions under 10%	**1**
Aggregated score (target is 9)			**9**

Detailed disease management statistics

He tauanga hōhonu mō te whakahaere tahumaero

Delivery of the TBfree programme

TBfree New Zealand Limited, a wholly owned subsidiary of OSPRI NZ Limited, is the management agency for the National Pest Management Plan for Bovine Tuberculosis (*Mycobacterium bovis*) pursuant to section 100 of the Biosecurity Act 1993 and clause 6 of the Biosecurity (National Bovine Tuberculosis Pest Management Plan) Order 1998.

The objectives of the TBfree programme are:

- Eradication of bovine TB from New Zealand by 2055 with milestone objectives of:
  - TB freedom in cattle and deer by 2026
  - TB freedom in possums by 2040
- Containment of disease in cattle and deer to a national infected herd period prevalence of no more than 0.2% until such time as bovine TB is eradicated.

Components of the TBfree programme

To meet the objectives of the TBfree programme OSPRI delivers an integrated range of services:

- livestock disease management, which includes TB testing and diagnostics, disease surveillance through carcass inspection at slaughter premises, case management, and controls on livestock movement
- wildlife pest management operations through a possum control programme in Vector Risk Areas and wildlife surveillance to determine the presence of TB in possums or other wildlife
- an annual review of areas across New Zealand where there is a risk of transmission of TB from wildlife vectors to obtain an estimate of the probability that the possum population is free of TB
- a research and development programme to support the control and eradication of TB in wildlife and livestock
- support for farmers while eradicating within-herd infection
- local farmer-led committees which communicate the TBfree programme, activities, and operations to farmers
- a range of further communications and extension activity to farmers, stakeholders, and other affected parties.

How we find TB in livestock

Under the TBfree programme, New Zealand is divided into Disease Control Areas, each having their own frequency requirements for livestock TB testing – see the later section for more detail. The other method used to detect TB in livestock is identifying lesions suspicious of TB as part of routine carcass inspection at slaughter.

An overview of pest operations management

New Zealand is also divided into Vector Risk Areas, where local wildlife populations have been or remain infected with TB, and Vector Free Areas, where TB freedom has been achieved or the disease was never suspected to be present. The plan objective is to eradicate TB from all wild animal populations on land within Vector Risk Areas, and to ensure the continued absence of TB in wildlife in all areas.

Infected herd period prevalence

The annual infected herd period prevalence (for cattle and deer combined) at 30 June 2023 was 0.05%.

Period prevalence is derived from the total number of infected herds at the start of the year, plus new infected herds identified during the year, divided by the total herds in the country, expressed as a percentage. The annual period prevalence has been less than 0.2% for the last nine financial years; annual period prevalence is one of the standards that the World Organisation for Animal Health requires for official TB freedom.

Recent progress of the TBfree programme

Figure 17: Number of infected cattle and deer herds at 30 June

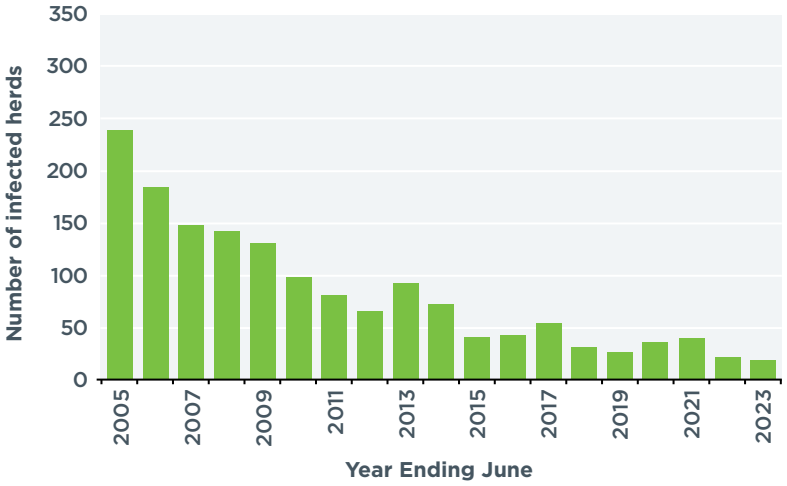


Figure 18: Annual infected herd prevalence (cattle and deer)

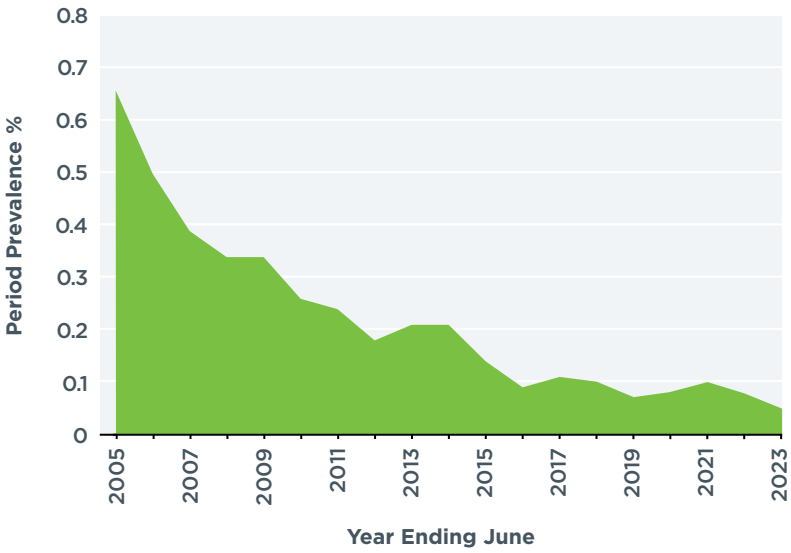
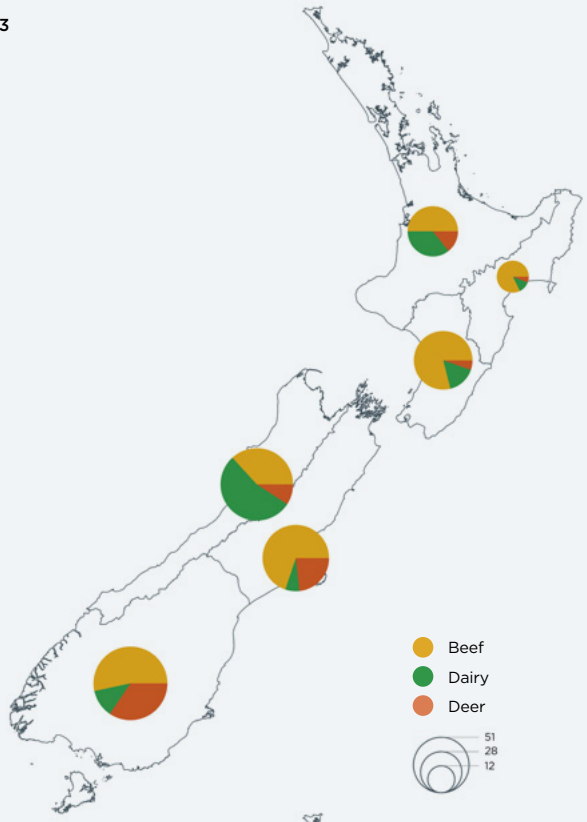


Figure 19: Disease metrics over three different time periods for cattle and deer herds located in Vector Free Areas (VFA) and Vector Risk Areas (VRA)

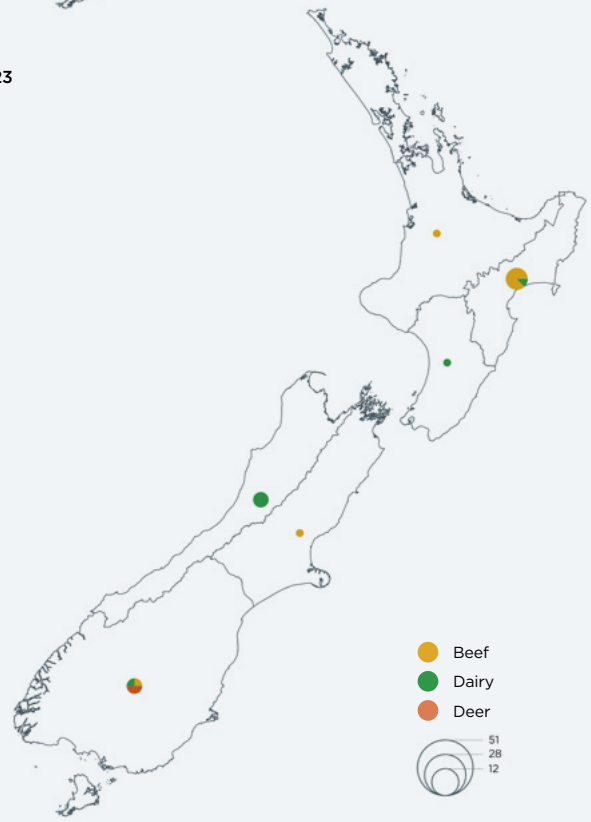
Vector area status	Infected herd period prevalence per cent			Herd breakdown rate per 1000 herds			Infected herd clearance per cent		
Period	1992/93	2002/03	2022/23	1992/93	2002/03	2022/23	1992/93	2002/03	2022/23
VFA	1.3%	0.15%	0.01%	6.8	0.73	0.08	68%	83.3%	43%
VRA	14.9%	3.8%	0.34%	50.3	13.21	0.99	32%	58.5%	52%
Total	**3.6%**	**0.91%**	**0.05%**	**13.4**	**3.3**	**0.19**	**42%**	**61.4%**	**50%**

Infected herd numbers have reduced over time

Map 3: Infected herds 2003



Map 4: Infected herds 2023



Livestock disease management

An effective livestock disease management programme is a key part of OSPRI's TB control and eradication effort and includes:

- disease surveillance through routine on-farm TB testing and post-mortem inspection of cattle and deer at slaughter
- TB diagnosis through approved laboratory testing
- effective case management of infected herds
- restricting the movement of at-risk livestock either at area or herd level.

Our response to a diagnosis of TB

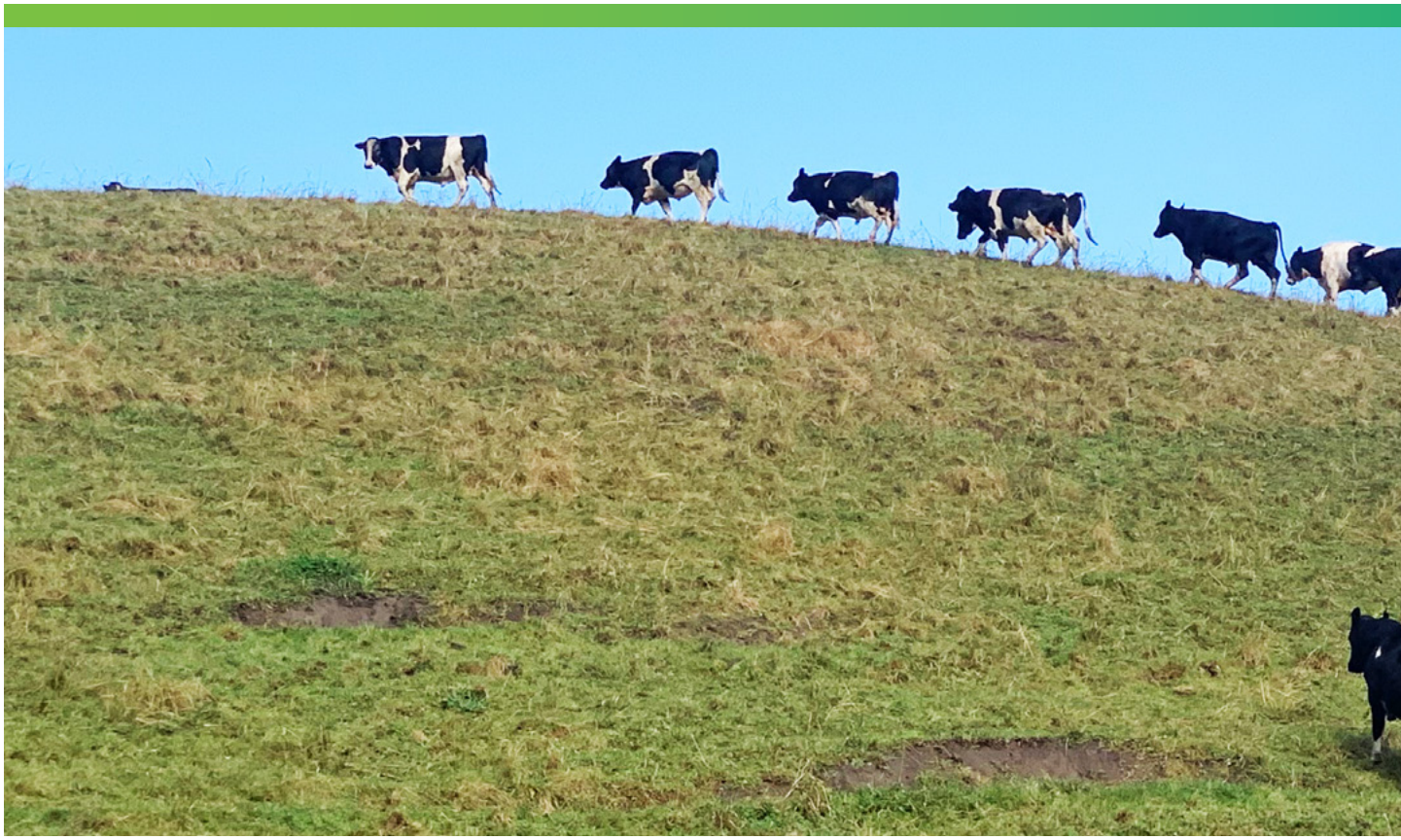
If TB is diagnosed, a Restricted Place Notice under section 130 of the Biosecurity Act 1993 is placed on the herd. This restricts any movement of stock from the herd (except to slaughter) without a permit. This on-farm biosecurity process limits any spread of the disease through cattle or deer movement from that time on.

The infected herd is case managed by an OSPRI team. The case management process involves tracing any livestock movements into and out of the herd prior to diagnosis. Any livestock identified as having moved out of the herd will be TB tested in their destination herd.

OSPRI uses both livestock movement information and DNA analysis of the TB organism to help determine whether TB has been introduced by livestock movement, or by contact with wildlife, or was potentially residual within the herd.

An important aspect of case management is working with the farmer to understand the cause of the disease and supporting the farmer to manage their herd through to TB freedom as quickly as possible. A herd cannot be declared free of TB until it has had at least two clear whole herd tests at a minimum of six months apart.

A key part of OSPRI's TB Plan is the restriction of livestock movement from infected herds and from designated Movement Control Areas where the TB risk from wildlife is considered high.



Infected cattle herds

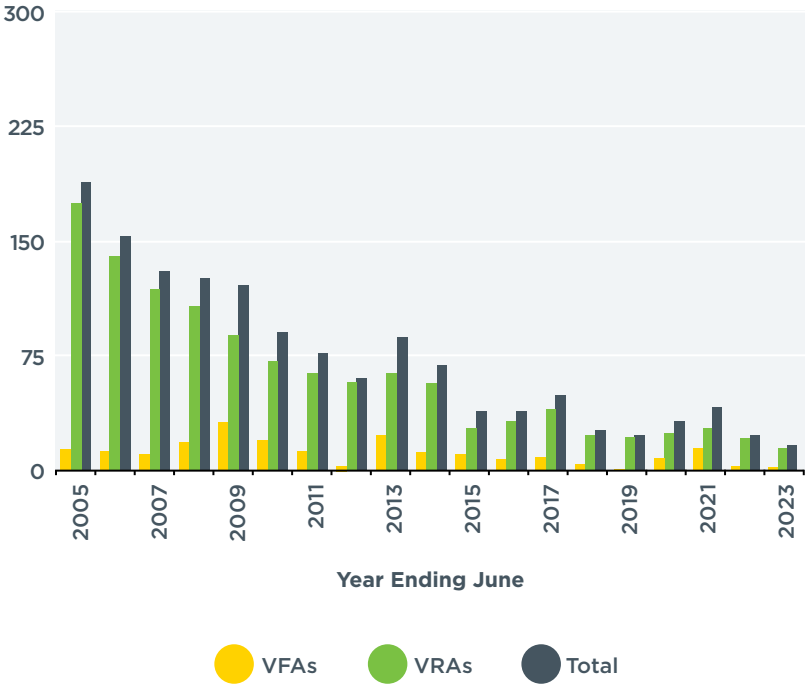
At 30 June 2023, there were 17 infected cattle herds (0.024% of total cattle herds), compared to 23 infected cattle herds at 30 June 2022, a reduction of 26.1%.

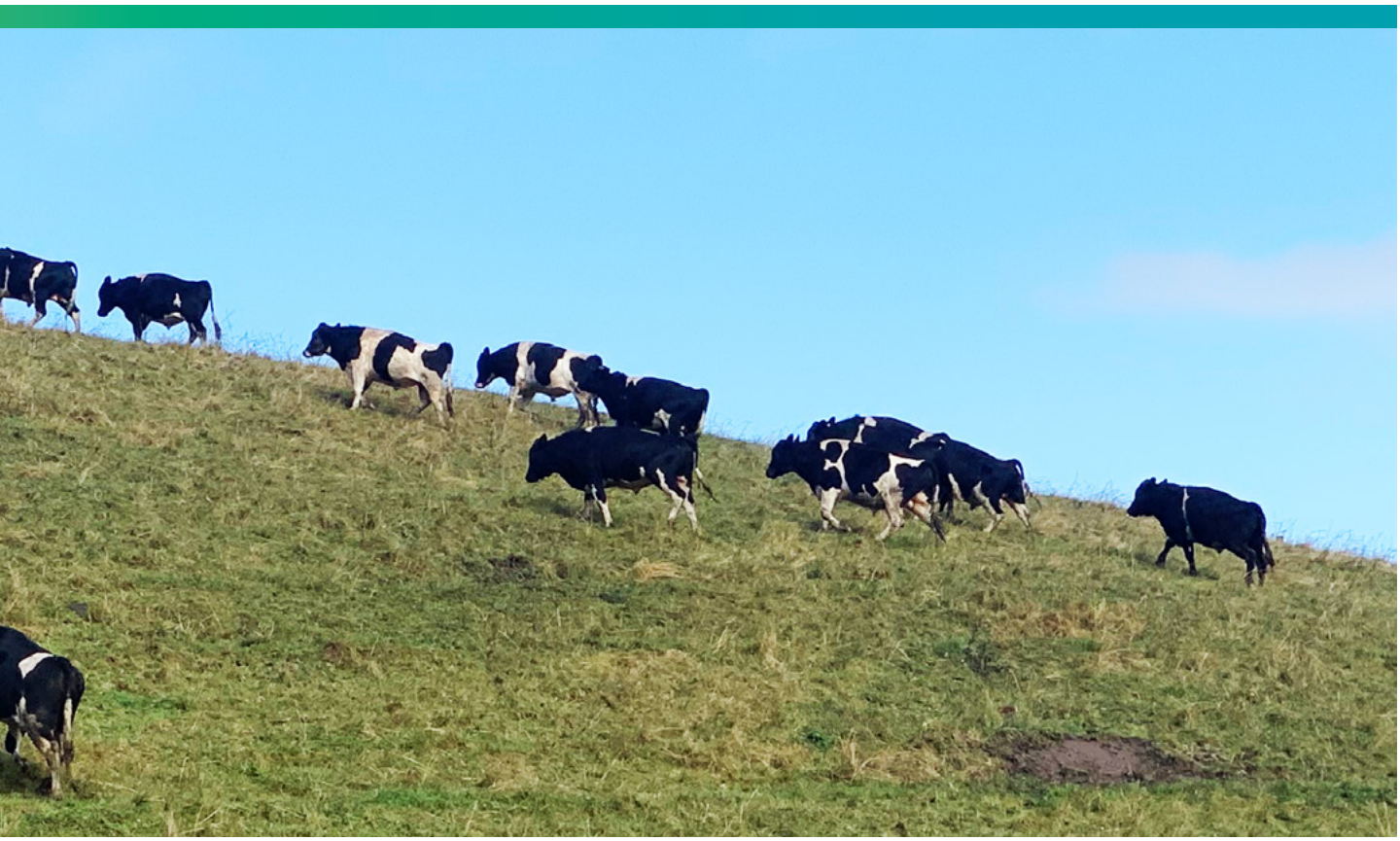
Of the 17 infected cattle herds:

- 59% (10) were beef dry or beef breeding herds; 41% (7) were dairy or dairy dry herds
- 47% were herds in Hawke's Bay (8)
- 18% were herds in Hari Hari (3)
- 59% were in the North Island; 41% were in the South Island.

Figure 20 shows the change in infected cattle herd numbers since June 2005 by vector area status (VFA – Vector Free Area; VRA – Vector Risk Area).

Figure 20: Number of infected cattle herds at 30 June 2023





The cattle herd breakdown rate per 1,000 herds (new infected herds divided by total herds x 1,000) for 2022–2023 was 0.17, and the cattle herd clearance rate was 51%. These rates compare with a herd breakdown rate of 0.24 per 1,000 herds, and a clearance rate of 56% in 2021-2022.

During the year there were 35 existing and newly infected status herds, 19 less than in 2021–2022. In total, 94 cattle had confirmed TB test results during 2022-2023 (83 were positive test reactors and 11 were identified at cull). This compares with a total of 79 tuberculous animals in the 2021–2022 year.

The sources of infection for existing and newly TB infected cattle herds this year are summarised by area status (VRA – Vector Risk Area; VFA – Vector Free Area) in Figure 21.

Figure 21: Sources of infection for cattle herds in the 12 months to 30 June 2023

	Cattle introduced from known infected herds	Cattle introduced from clear herds	Residual herd infection	Contact with infected wild animal	Source yet to be determined
Newly infected herds in VRA				2	
Newly infected herds in VFA		2		2	
Existing infection		1	4	23	1
All infected herds		**3**	**4**	**27**	**1**

Cattle testing and reactors

Cattle testing data is summarised in Figure 22, which compares the number of TB tests carried out on cattle and the number of reactors to tests, for 2019–2020, 2020–2021, 2021-2022, and 2022-2023.

In the year to 30 June 2023, approximately 2 million cattle were tested using the intradermal caudal-fold tuberculin test (primary skin test). This is approximately 107,000 less than the number of cattle tested in the previous year.

Serial ancillary (blood) tests were carried out on 2,875 cattle which had a positive reaction to the primary skin test. In addition, ancillary parallel gamma interferon blood tests were performed on 8,725 cattle that tested negative to the primary skin test for TB.

Figure 22: Cattle TB test results for 2019-2020, 2020-2021, 2021-2022, and 2022-2023

Cattle testing	2019/20	2020/21	2021/22	2022/23
Primary tuberculin tests on cattle	3,000,154	2,736,154	2,158,569	2,051,263
Primary test-positive cattle ancillary serial tested	4,174	3,536	3402	2,875
Ancillary parallel tests on cattle	9,394	12,452	12,104[1]	8,725
Total cattle reactors slaughtered	401	506	450	367
Total positive TB cattle reactors	84	62	73	83

1 The ancillary parallel tests on cattle in 2021/22 were incorrectly stated as 7,766 in last year's annual report.

After a decrease in primary tuberculin tests (skin tests) between 2019/20 – 2021/22, test numbers stabilised this year. In past years tests have been reduced in areas associated with a low wildlife risk. Post movement tests from previously infected herds, and herds from high-risk regions, will be introduced once the upcoming new data system is implemented. This will target our surveillance programme where the most disease risk resides, to introduce cost efficiencies.

Tuberculous cattle

The number of tuberculous (confirmed infected with TB) cattle includes the total number of cattle (both TB test reactors and cattle found during routine slaughter) with gross TB-like lesions, or otherwise identified as infected following Polymerase Chain Reaction assay or culture of *Mycobacterium bovis* from tissues.

During 2022–2023, 83 (22.6%) of the 367 reactors slaughtered showed visible TB lesions or had lesions sampled that were confirmed as being infected with *Mycobacterium bovis*.

Bovine tuberculosis was also identified in eleven cattle during routine slaughter (0.4 per 100,000 cattle slaughtered, based on 2.77 million cattle slaughtered in 2022–2023). Figure 24 illustrates the long-term trend for TB found in cattle from 2004–2005 to 2022–2023 by area status (VRA – Vector Risk Area; VFA – Vector Free Area) and shows the overall decline in the number of TB cattle, despite variable spikes in 2008–2009 and 2012–2013.

This mirrors that for reactors.

Figure 23 shows the trend in cattle reactors slaughtered from 2004–2005 to 2022–2023 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

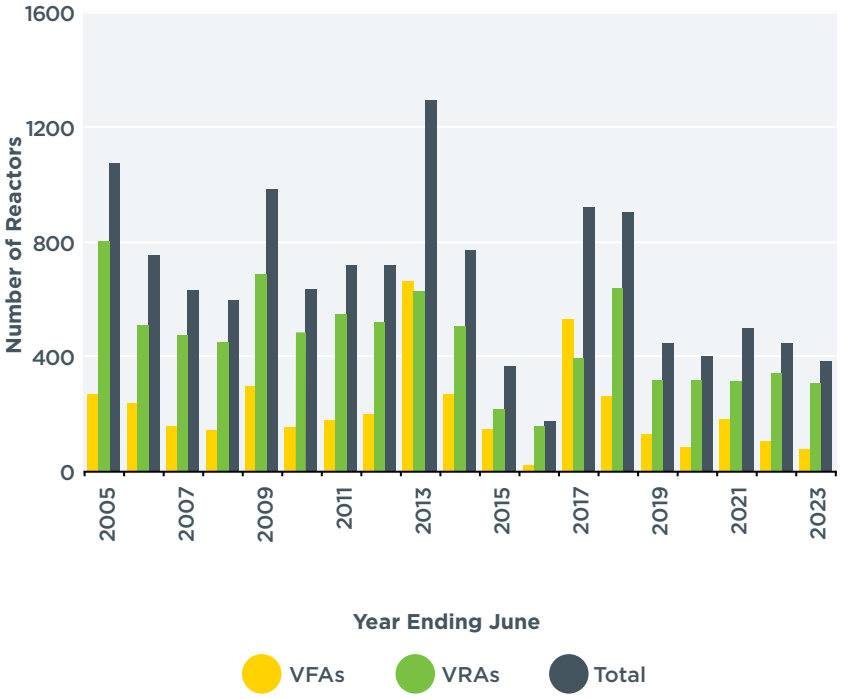
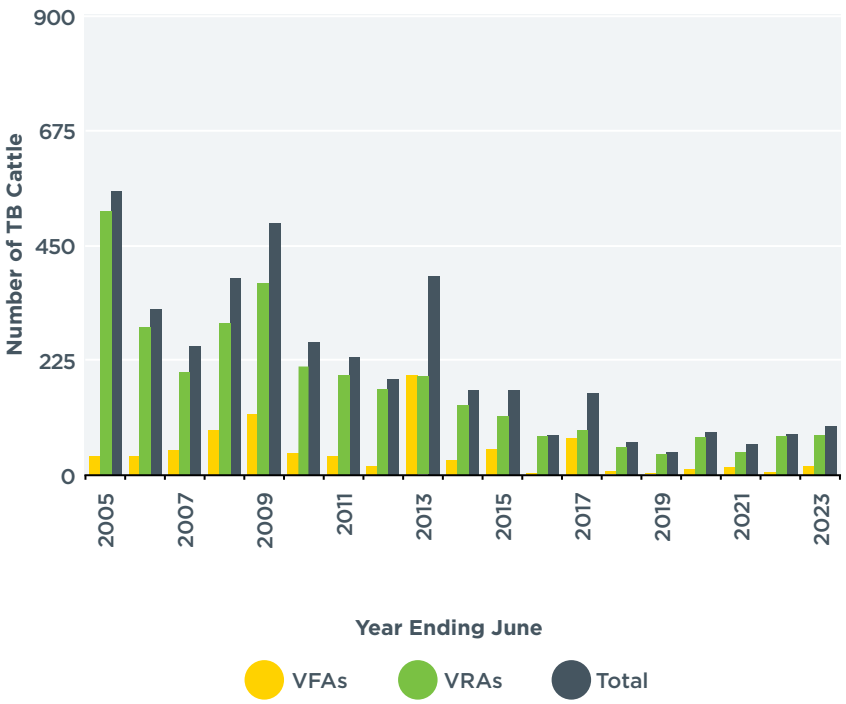


Figure 24: Number of tuberculous cattle



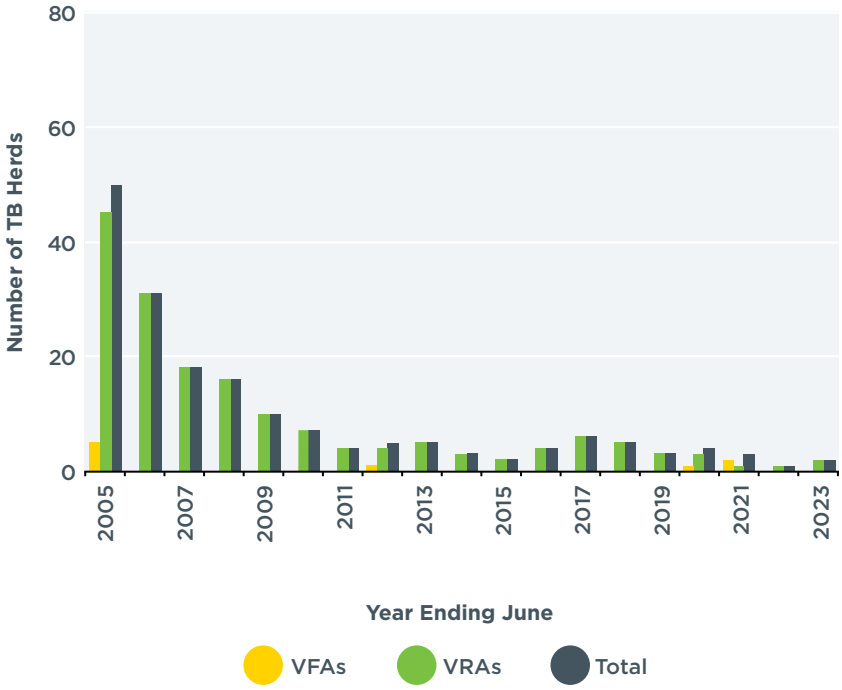
Infected deer herds

At 30 June 2023, there were two infected deer herds (0.10% of total deer herds), compared to one herd at 30 June 2022. Figure 25 shows the change in the number of infected deer herds between June 2005 and June 2023 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

The deer herd breakdown rate per 1,000 herds (new infected herds divided by total herds x 1,000) for 2022-2023 was 1.04, and the deer herd clearance rate was 33%. During the year there were three existing and newly infected status deer herds, no change from the 2021–2022 year. Sources of infection for these three herds were:

- Two newly infected herds in VRA with source being: one residual infection and one contact with infected wild animal
- One existing infection with the source being contact with infected wild animal.

Figure 25: Number of infected deer herds at 30 June 2023



Deer testing and reactors

Deer testing data is summarised in Figure 26, which compares the number of TB tests performed and the number of reactors to tests in 2019–2020, 2020-2021, 2021-2022, and 2022-2023. In the year to 30 June 2023, 110,895 primary mid- cervical intradermal tuberculin tests (skin tests) were performed on deer compared to 137,550 in the previous year.

Serial ancillary (blood) tests were carried out on 333 deer positive to the primary skin test compared with 459 ancillary parallel tests performed on deer in 2021–2022. As a result of these tests 11 deer were declared as reactors and were slaughtered. On slaughter, four animals with TB lesions were found.

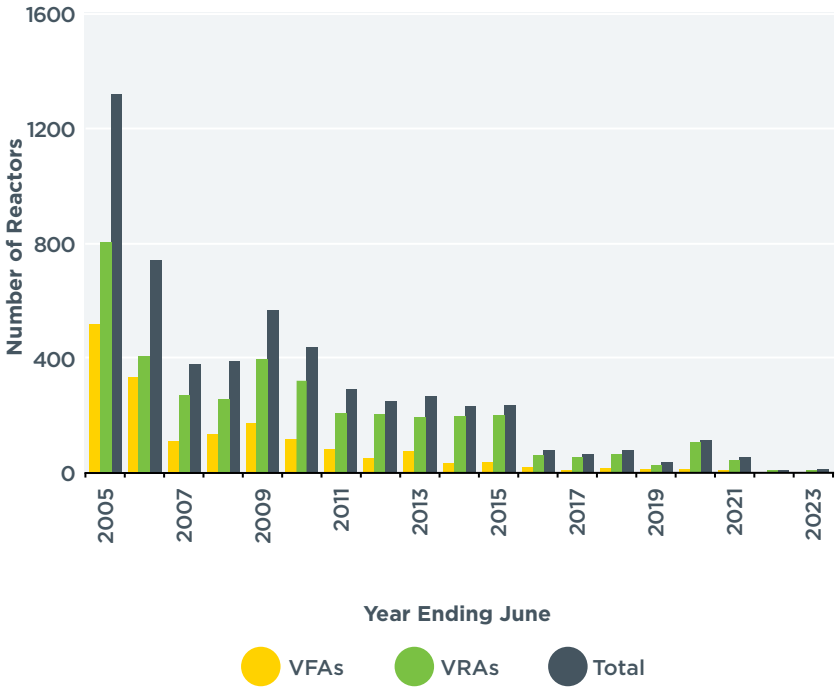
Figure 26: Deer TB test results for 2019-2020, 2020-2021, 2021-2022, 2022-2023

Deer testing	2019/20	2020/21	2021/22	2022/23
Primary tuberculin tests on deer	170,671	146,666	137,550	110,895
Primary test-positive deer ancillary serial tested	955	1,005	459	333
Ancillary parallel test-positive deer	0	0	0	0
Total deer reactors slaughtered	114	56	10	11
Total positive TB deer reactors	3	2	0	4

Figure 27 shows the trend in deer reactors from 2004–2005 to 2022–2023 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

There has been a significant decrease in primary tuberculin tests (skin tests) for deer over the past few years. This reflects the decision to no longer on farm TB test deer in the lower risk surveillance areas and rely on slaughter surveillance. This is due to the low risk associated with deer farming practices and the high proportion slaughtered.

Figure 27: Number of deer reactors

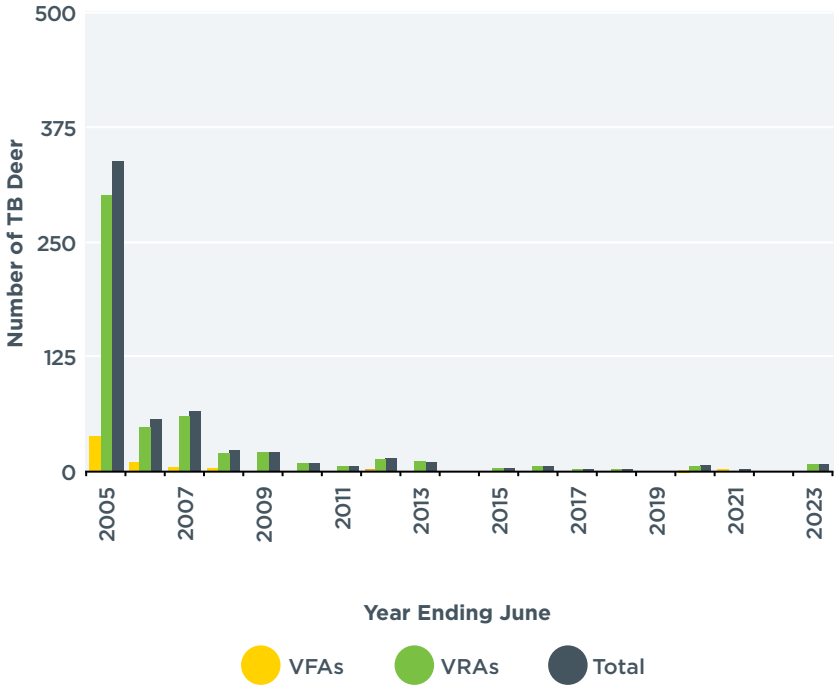


Tuberculous deer

The number of tuberculous deer includes the total number of deer (including reactors and deer found during routine slaughter) with gross TB-like lesions, or otherwise identified as infected following Polymerase Chain Reaction assay or culture of *Mycobacterium bovis* from tissues.

During 2022–2023, there were eight deer confirmed to be infected, four during testing and four on slaughter. Figure 28 shows the trend in the number of tuberculous deer between 2004–2005 to 2022–2023 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

Figure 28: Number of tuberculosis deer



TB surveillance and monitoring programme

Areas of New Zealand are categorised into Disease Control Areas, with different types of TB testing regimes based on the risk of infection.

- Movement Control Areas (MCA) are implemented to minimise the risk of TB spread through the uncontrolled movement of infected livestock from areas considered at greatest risk of vector-related infection. All cattle or deer over three months of age that move from, or within, an MCA must have been negative to a pre-movement test within 60 days prior to being moved.
- Special Testing Areas (STA) and Surveillance Areas are defined geographical areas where the frequency of cattle and deer testing is determined by the area's risk, or the need to obtain surveillance data for Proof of Freedom purposes.

As TB is progressively reduced or eradicated in each area, the definition and boundary of each Disease Control Area is reviewed, and testing requirements are amended in accordance with the residual disease risk.

Disease Control Area changes

On 1 March 2023, we reduced the size of the Upper South Island Movement Control Area. With significant areas having had limited infection for a considerable time, it was considered there is reduced risk/likelihood of infection in livestock caused from vector related infection. The reduced areas include a portion of North Canterbury to the south of Kaikoura and significant portions of the West Coast (approximately 1 million hectares) affecting herds from south of Hokitika to the Paparoa Range.

This change is predicted to result in 683 herds no longer requiring pre-movement testing and the age of animals required to be tested increasing from 3 months up to 12 months of age. It is expected that these changes will bring about a reduction of approximately 60,000 pre-movement tests in the affected areas.

In other areas of New Zealand, we changed the frequency of testing and age categories of stock to test for 22 areas. The impact of changes in these areas is expected to be testing reductions affecting 635 herds.

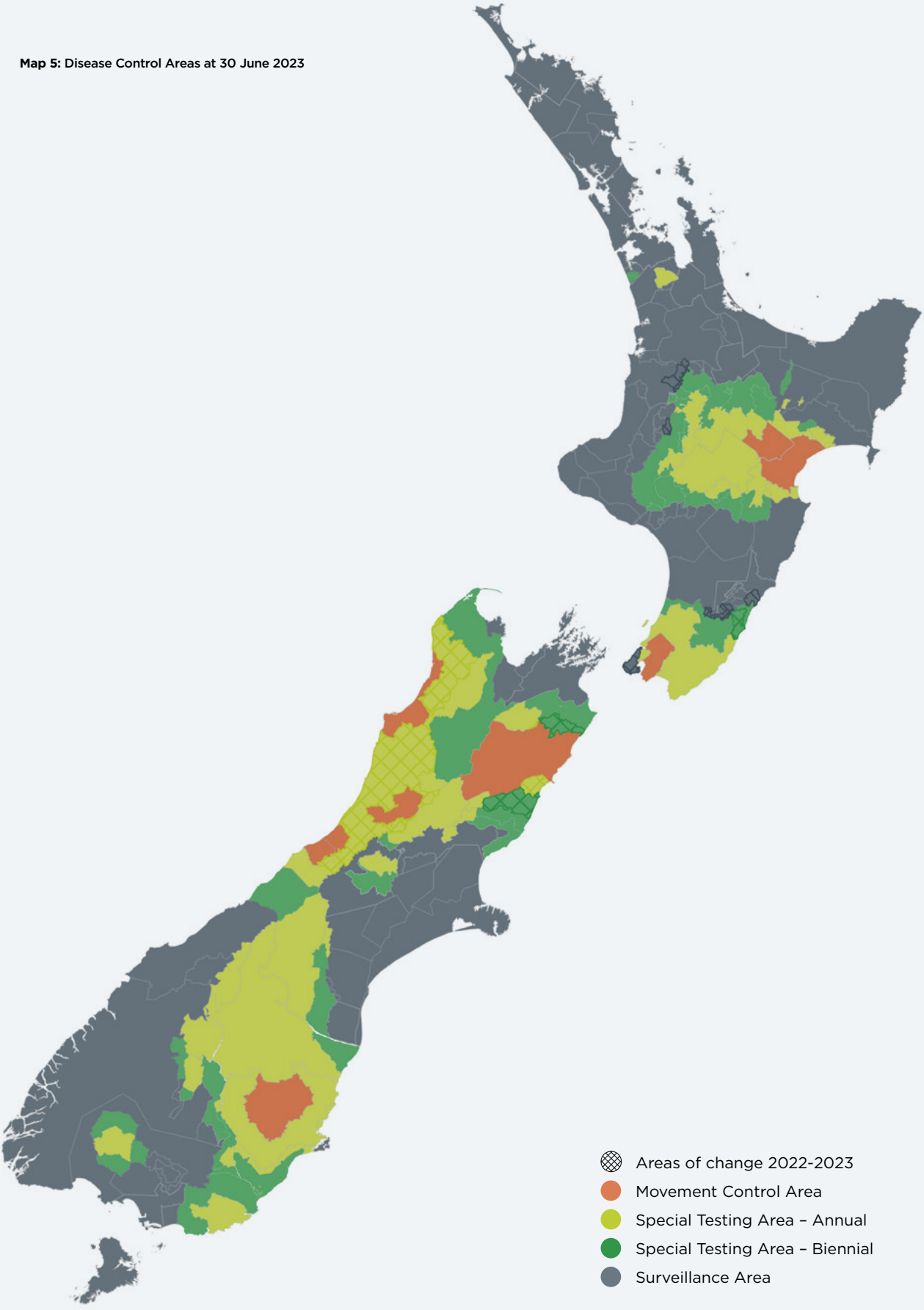
The numbers of cattle and deer herds and infected herds by Disease Control Area type (MCA – Movement Control Area, STA – Special Testing Area) is provided in Figure 29.

The Disease Control Areas Map 5 shows which testing regime an area is under at 30 June 2023, and the changes that were made this year.

Figure 29: Total cattle and deer herds and infected herds by Disease Control Area type

	MCAs	STAs (annual and biennial)	Surveillance Areas	New Zealand
Total herds at June 2023	2,310	13,053	58,218	73,581
Cattle and deer infected herds during 2022–2023	25	9	4	38

Map 5: Disease Control Areas at 30 June 2023



Wildlife disease management

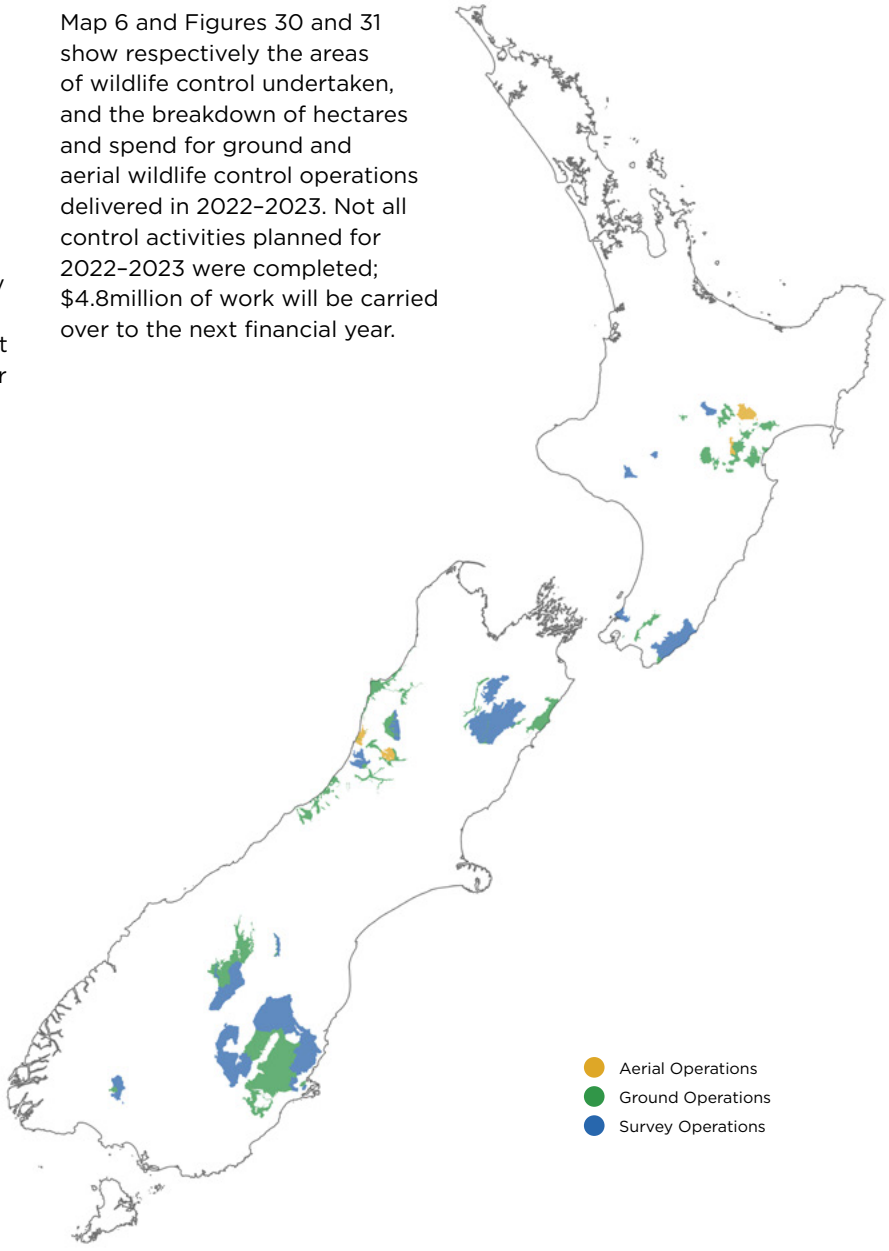
Contact with TB-infected wildlife – mostly possums – is the main cause of livestock TB in New Zealand. Possum control, along with surveys for TB in other wildlife species, is the largest component of the TBfree programme.

Possum control operations are designed to reduce possum population densities to prevent further transmission of TB between possums and from possums to livestock.

Eradication of TB is achieved by reducing the possum density to a very low and even level (about one possum per 10 hectares) for a period of at least five years.

This low density means the disease is unable to be maintained within possum populations and will subsequently disappear both from possums and eventually other wildlife.

Map 6 and Figures 30 and 31 show respectively the areas of wildlife control undertaken, and the breakdown of hectares and spend for ground and aerial wildlife control operations delivered in 2022–2023. Not all control activities planned for 2022–2023 were completed; $4.8million of work will be carried over to the next financial year.

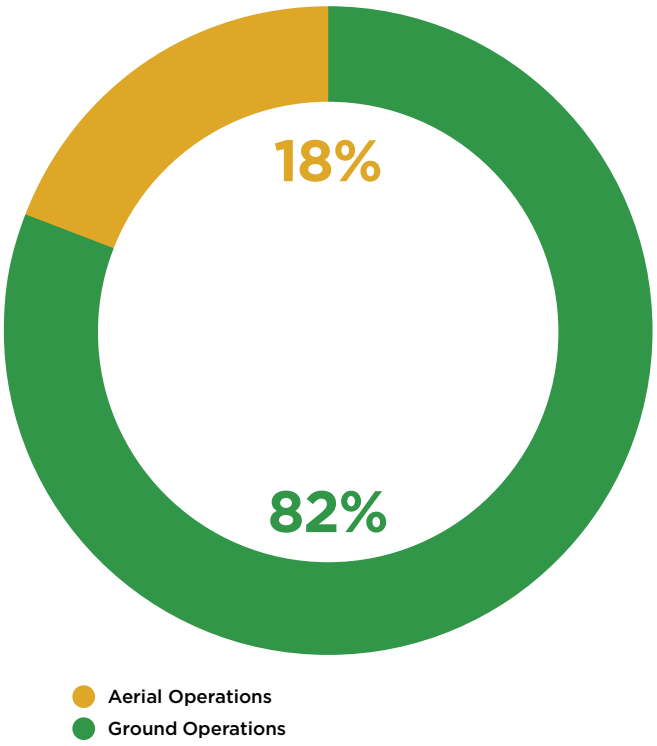


Map 6: Map of 2022-2023 wildlife control

Figure 30: Breakdown of national ground and aerial control operations by area and spend

	Total hectares	Spend
Ground Operations (including surveillance)	2,313,199 hectares **82%**	$20,682,500 **66%**
Aerial Operations	509,717 hectares **18%**	$10,834,528 **34%**
Total	**2,822,916 hectares**	**$31,517,028**

Figure 31: Area proportion of ground and aerial control operations



Wildlife surveys

An important aspect of the TBfree programme is surveying wildlife to detect whether TB is still present following a period of sustained possum control. This involves trapping or culling possums and other sentinel species, such as pigs and ferrets, followed by post-mortem examination and analysis. The results are used to help determine whether freedom from TB within designated areas has been achieved, or if further control work is needed. We expect to find few – if any – TB-infected possums or other wildlife in these surveys, as significant possum control effort has already been undertaken.

Wild animals sampled in 2022–2023 and the number and percentage that were TB positive are shown in Figure 32.

Figure 32: Number of wild animals in 2022/23 sampled by species, and the number and percentage found to be infected with *Mycobacterium bovis*

	Possums	Wild pigs	Wild deer	Ferrets	Others
Number sampled	618	833	5	695	1
Number (%) with TB	0	3	0	9	0
	(0%)	**(0.36%)**	**(0%)**	**(1.29%)**	**(0%)**

We have a focus on protecting herds in nine high risk areas

The 2020 health check of the TBfree Plan, carried out by OSPRI and its funders and stakeholders, gave us clarity on where to prioritise our resources and effort as we work to achieve zero infected herds by 2026.

2020 Health Check recommendations implemented

OSPRI has continued to implement the learnings from the 2020 TB health check report, which recommended a change in approach to:

- prioritise control in previously uncontrolled source areas of TB (which may include carrying out essential work earlier than planned), and
- protect herds by controlling buffer zones around them until source areas are fully controlled.

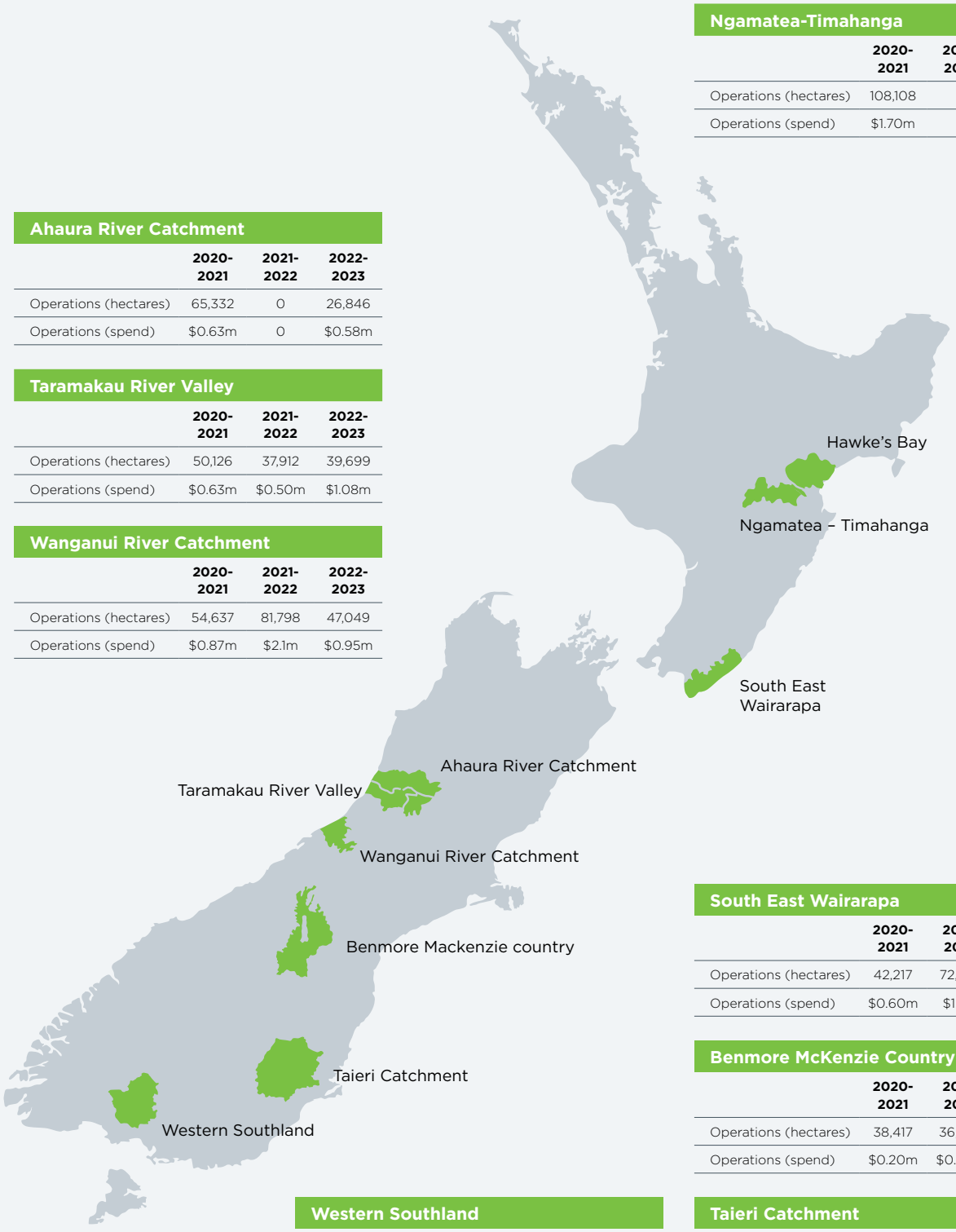
Nine risk areas

The health check identified nine areas that pose the highest risk to achieving the 2026 target of sustainable eradication of TB from cattle and deer herds. To safeguard these areas, we are:

- prioritising pest control operations and wildlife disease surveys
- increasing assistance to farmers to support their compliance with disease control and traceability obligations
- increasing efforts to gain access to land for control operations
- using targeted testing
- investing in applied research and technology to find cost effective methods that can be put into operation quickly
- bringing forward operations when possible, using existing reserves and short-term funding.

Map 7 shows operations activity in the nine risk areas for the 2020-2021, 2021-2022 and 2022-2023 years. This includes ground and aerial operations, surveying and monitoring. Due to phasing of control programmes or previous control activity some high-risk areas did not receive pest control activity these years.

Map 7: Operations (ha) (includes aerial and ground operations, surveillance and performance monitoring) and spend carried out in the nine high risk areas between 2020–2021 and 2022–2023



Hawke's Bay

	2020-2021	2021-2022	2022-2023
Operations (hectares)	110,755	136,521	47,646
Operations (spend)	$2.43m	$3.36m	$1.79m

Ngamatea-Timahanga

	2020-2021	2021-2022	2022-2023
Operations (hectares)	108,108	0	66,397
Operations (spend)	$1.70m	0	$1.43m

Ahaura River Catchment

	2020-2021	2021-2022	2022-2023
Operations (hectares)	65,332	0	26,846
Operations (spend)	$0.63m	0	$0.58m

Taramakau River Valley

	2020-2021	2021-2022	2022-2023
Operations (hectares)	50,126	37,912	39,699
Operations (spend)	$0.63m	$0.50m	$1.08m

Wanganui River Catchment

	2020-2021	2021-2022	2022-2023
Operations (hectares)	54,637	81,798	47,049
Operations (spend)	$0.87m	$2.1m	$0.95m

South East Wairarapa

	2020-2021	2021-2022	2022-2023
Operations (hectares)	42,217	72,076	20,991
Operations (spend)	$0.60m	$1.9m	$0.70m

Benmore McKenzie Country

	2020-2021	2021-2022	2022-2023
Operations (hectares)	38,417	36,985	9,626
Operations (spend)	$0.20m	$0.20m	$0.14m

Western Southland

	2020-2021	2021-2022	2022-2023
Operations (hectares)	53,531	45,389	6,213
Operations (spend)	$0.57m	$0.64m	$0.19m

Taieri Catchment

	2020-2021	2021-2022	2022-2023
Operations (hectares)	735,058	378,809	252,644
Operations (spend)	$3.83m	$2.61m	$1.70m

Reduction of Vector Risk Areas

Meeting the TB Plan's objectives requires the progressive reduction in size of Vector Risk Areas – where TB is thought to be present in possums and other wildlife – and the prevention of wildlife TB becoming established in Vector Free Areas.

Process for Vector Risk Area reduction

For an area to have its Vector Risk Area status revoked, an expert, independent review panel must agree that the evidence indicates a very high probability of freedom from TB in the possum population. This decision is mainly based on:

- qualitative data on the area's TB history, the effectiveness of possum control and the results of wildlife surveys
- quantitative data that includes the outputs from a Spatial Possum Model and Bayesian-based software (Proof of Freedom utility) that indicates there is 95% probability that TB has been eradicated from the possum population
- risk assessment that evaluates the risks and potential costs of making a wrong decision.

This year's Vector Risk Area reductions

In 2022–2023, the Chief Executive of TBfree New Zealand Limited approved the revocation of Vector Risk Area status for nine Vector Control Zones totalling approximately 194,068 hectares (rounded). This consisted of reductions of 144,293 hectares in the Upper South Island (seven Vector Control Zones), and 49,774 hectares in the Lower South Island (two Vector Control Zones).

Hectare Change

The total amount of Vector Risk Area reduction since 2011 is 3.76 million hectares over 286 Vector Control Zones. 6.29 million hectares of Vector Risk Area remain in New Zealand at 30 June 2023.

Map 8 shows the total Vector Risk Area reductions since 2011 at 2023.

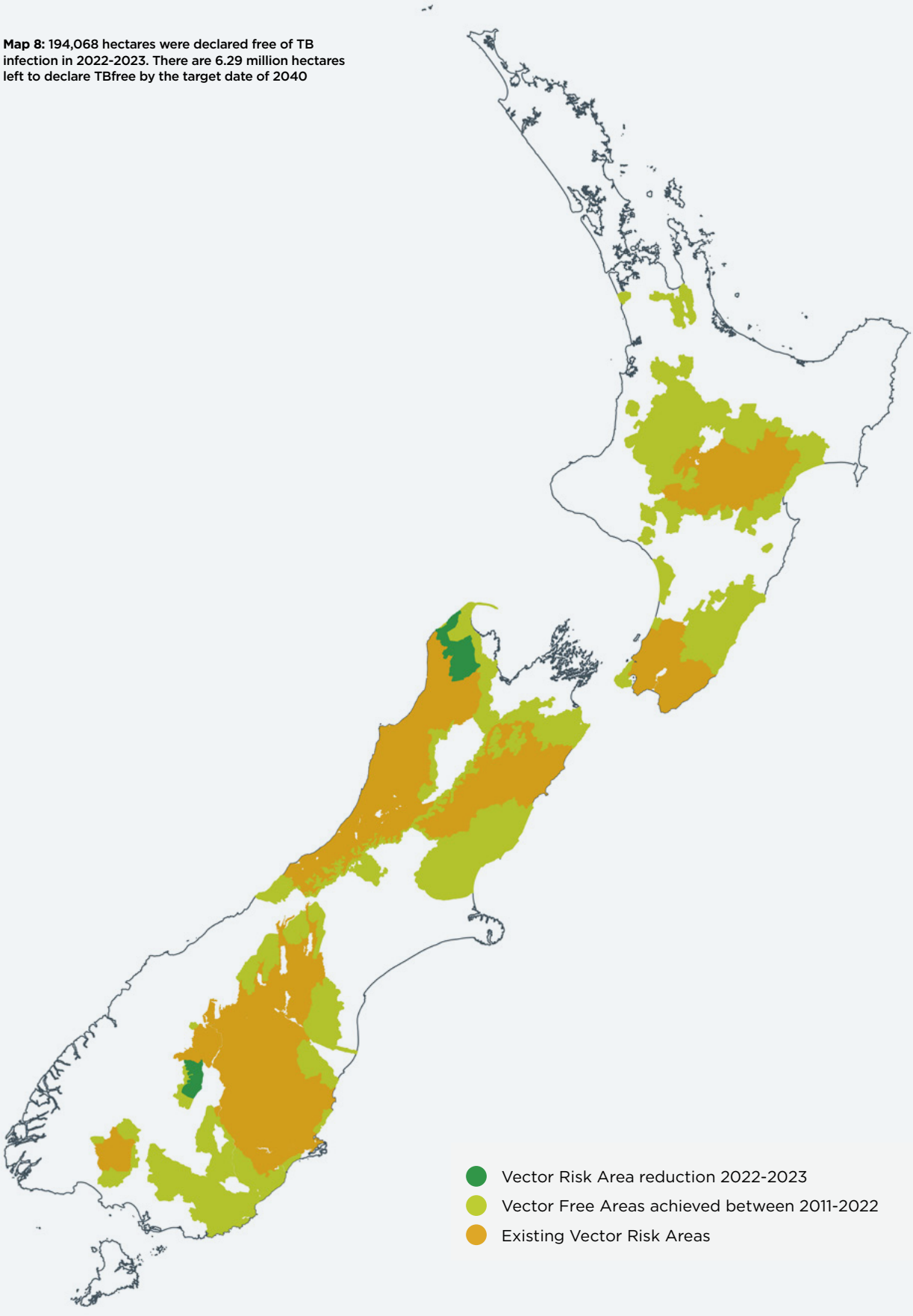
Map 9 shows the area target dates for eradication of TB from possums.

Figure 33 details the nine Vector Control Zones that achieved cancellation of Vector Risk Area status during 2022–2023. The total is rounded.

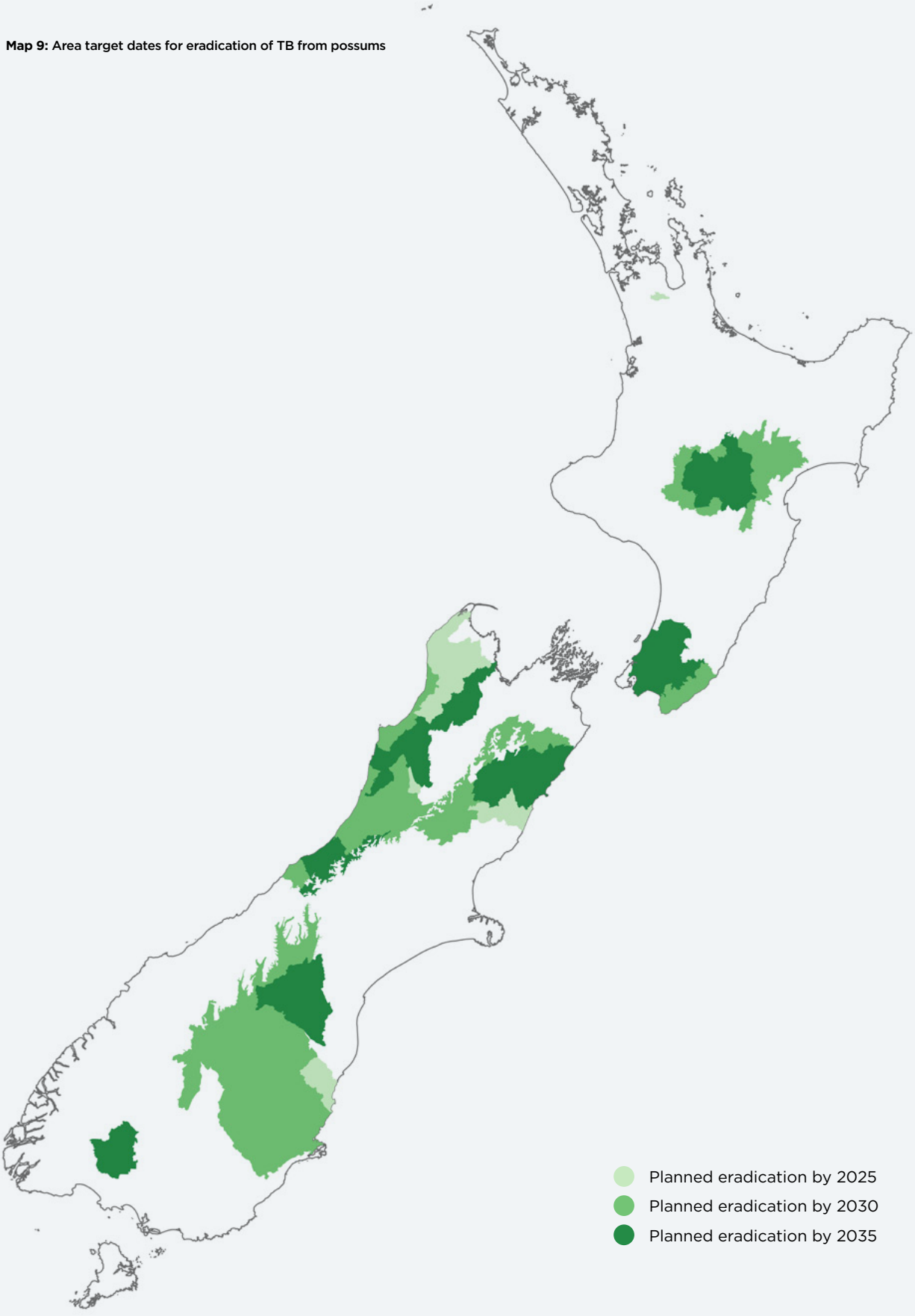
Figure 33: Cancellation of Vector Risk Area status from nine Vector Control Zones

VCZ	Area hectares
Anatori Patarau	5,397
Cobb Tasman	53,124
Cobb West Coast	37,687
Kahurangi Tasman North	36,928
Kahurangi National Park	324
Kahurangi Point	5,093
Paturau	5,740
Upper South Island Total	**144,293**
Horn Range	22,920
Southern Nevis	26,854
Lower South Island Total	**49,774**
NZ Revocation Total	**194,068**

Map 8: 194,068 hectares were declared free of TB infection in 2022-2023. There are 6.29 million hectares left to declare TBfree by the target date of 2040



Map 9: Area target dates for eradication of TB from possums



We have aligned research and development to applied science and use of technology

Driving efficiency and reducing costs

The focus for research over the last year has been on finding more efficient and cost-effective ways to undertake vector monitoring and disease testing and diagnostics, working closely with technology providers. In addition, we continued our efforts to find an alternative to 1080 and repellents that would provide our operations teams more flexibility when working in areas with deer and taonga species such as kea.

Research Strategy 2020-2025 Roadmap

Figure 34: Research Strategy 2020-2025 road map

PURPOSE OF OSPRI'S RESEARCH STRATEGY
To shift from knowledge based research to short-term applied research, technology initiatives and collaborative projects with other pest management agencies.

RESEARCH OBJECTIVES
- Rapid disease diagnostic tests
- Cost-efficient control and surveillance at landscape scale
- Operationalisation of research
- Livestock traceability

Over the next five years our research investment will prioritise projects that deliver outcomes aligned with our strategic goals and that drive innovation and efficiencies into the way we deliver our programmes.

OSPRI's 11 research priorities

20/21
- Closed legacy epidemiology projects
- Develop rapid TB diagnostic tests for slaughter surveillance (ongoing)
- Collaborate with DOC and ZIP to develop kea mitigation tools (ongoing)
- Trialled drones & thermal sensors for surveillance
- Investigate 1080 alternatives (ongoing)

21/22
- Completed an IoT proof of concept trial
- Undertook operational technology trials – remote traps; thermal surveillance; livestock movements

22/23
- Seek registration of kea repellent
- Commence development of an alternative toxin to 1080

23/24
- Partner with technology & communications companies to implement landscape scale control and surveillance

24/25
- Commence initial trials of alternative toxins

Areas of focus: Applied research | Technology | Partnerships | Implementation

Research and Development carried out this year

Figure 35: R&D projects July 2022 – June 2023

What	Result	Benefits
Research objective 1: rapid disease diagnostic tests		
Rapid diagnostic tools to test for TB in samples	An alternative PCR test, validated in trials last year, will be utilised in our ongoing granuloma TB surveillance programme and we are progressing with a final year of nanopore technology trials following further successful development of the technology for identifying TB in samples.	Both the GeneXpert and nanopore technology trials support OSPRI's continuing push towards cost reduction, efficiency and increased accuracy in diagnosis and surveillance of TB in livestock.
Research objective 2: cost-efficient control and surveillance at landscape scale		
Long-life surveillance cameras	Ongoing development of lures and cameras has continued and we now have a possum monitoring tool which can be deployed in the bush for months at a time without requiring servicing.	The goal is to be able to leave long-life lures in the bush for years to provide post-control possum density monitoring, thereby helping us to determine the likelihood that disease has died out in the possum population or whether further control is required.
Research objective 3: operationalisation of research		
Kea mitigation	Trials using anthraquinone and D-Pulegone repellents are continuing, and new bait/repellent formulations are being explored.	These techniques will enable us to undertake operations in kea country, primarily the West Coast outside of mast years (years when forests produce a large seed crop, which usually results in increased predators). Ongoing research and results will make this progressively easier.
Bait development	An alternative toxin to 1080 that is less harmful to non-target species, especially birds, is being investigated. This project is now being progressed with a University of Canterbury PhD student working on chemical structures that will achieve the best results.	Improved bait formulations and alternatives to 1080.

Summary consolidated financial statements

Whakarāpopototanga o ngā tauākī pūtea tōpū

Governance
Te whakaruruhau

The OSPRI Board of Directors is responsible for, and committed to, maintaining the highest standards of corporate governance, ensuring transparency and accountability to shareholders and stakeholders.

Nomination and appointment of directors

Procedures for the appointment and removal of directors are governed by the constitutions of OSPRI New Zealand Limited and its subsidiary companies, TBfree New Zealand Limited, National Animal Identification and Tracing (NAIT) Limited, and *M. bovis* Free New Zealand Limited (the Group).

In respect of OSPRI New Zealand Limited, all director positions are approved by shareholders after recommendation by the four-person Director Assessment Panel. The Director Assessment Panel comprises one member of the Stakeholders' Council, two persons collectively nominated by shareholders, and one independent person nominated by the other Director Assessment Panel members.

The maximum term for which a director may be appointed to the OSPRI Board is three years. A director is eligible for reappointment after the expiry of his or her term of appointment but cannot hold office for a continuous period of more than nine years unless shareholders and the Director Assessment Panel agree in writing that exceptional circumstances warrant a longer continuous period.

OSPRI New Zealand Limited appoints directors to the boards of each of the three subsidiaries.

Director changes during the year

At the Annual Meeting on 18 November 2022:

- Paul Reynolds was appointed to the Board for a three-year term
- Barry Harris was reappointed from the end of 30 June 2023 to the conclusion of the 2023 Annual Meeting, following written agreement by shareholders and the Director Assessment Panel that there are exceptional circumstances that warrant Mr Harris holding office for a continuous period of longer than nine years.

Associate Director

Lisa Kearins was appointed under the OSPRI Associate Director programme in April 2023, until November 2024. The Associate Director programme aims to develop future directors by providing an opportunity for individuals interested in becoming directors to attend and participate in the board meetings of OSPRI New Zealand Limited and its subsidiaries, to build their governance skills.

Board Committees

The Board has established the following committees to examine proposals and make recommendations.

Audit and Risk Committee

The Audit and Risk Committee's responsibilities include the following:

- liaison with internal and external auditors
- review of the annual audit plan with the external auditors and their letter of engagement
- approval of the annual internal audit plan, and the terms of reference for each audit
- review of audit findings and monitoring of any consequential actions
- review of half-yearly and annual financial statements
- prior clearance of public releases of financial information in reports and to the media
- review of accounting policies
- review of the adequacy of the internal control structure and associated organisational policies
- review and monitoring of legislative and statutory compliance processes
- review of the frequency and significance of all transactions between the company and related parties and assessment of their propriety
- review of the appointment of external and internal auditors and their fees

- review of the independence of the external auditors and the appropriateness of any non-audit services they undertake for OSPRI
- supervision of any special investigations requested by the Board
- oversight of the risk management system for the company
- advise the Board and recommend and monitor any remedial action plan in respect of any significant non-compliance with policies
- review all whistle blowing matters raised and escalate to the full Board.

Human Resources Committee

The objectives and role of the Human Resources Committee are to assist the Board to fulfil its responsibilities in relation to setting and reviewing policies and standards for employees relating to remuneration and employment practices of OSPRI and its subsidiaries. The Committee also oversees the OSPRI Associate Director Programme.

Board and Committee meetings

The Board had seven scheduled meetings during the 2022-2023 financial year and an additional three online meetings were added to the Board programme. The following table shows director attendance at all Board meetings and member attendance at Committee meetings during the year ended 30 June 2023.

Director	Board meetings	A&R Committee meetings	HR Committee meetings
Barry Harris (Chair of the Board)	10	2	2
Fenton Wilson[2] (Chair of the HR Committee)	9	4	2
James Parsons	10	4	2
Michael James (Chair of the Audit and Risk Committee)	9	4	1
Nikki Davies-Colley	10	4	–
Susan Huria	10	4	2
Paul Reynolds[3]	5	–	–

Members of the Audit and Risk Committee during the year were Michael James (Chair), Fenton Wilson (to 16 March 2023), James Parsons, Nikki Davies-Colley, and Paul Reynolds (from 16 March 2023).

Members of the Human Resources Committee during the year were Fenton Wilson (Chair), James Parsons, and Susan Huria.

The chairman of the Board is an ex-officio member of all Committees of the Board.

2 Mr Wilson was absent for the February 2023 meeting due to Cyclone Gabrielle.

3 Mr Reynolds was appointed as a director at the 18 November 2022 Annual Meeting. He was absent for the February 2023 meeting due to Cyclone Gabrielle. There were no Audit and Risk Committee meetings held after 16 March 2023.

Remuneration report
Te pūrongo utu kaimahi

Directors' remuneration

Directors' fees

These fees have been applied for the year from 1 July 2022 to 30 June 2023, following a shareholder resolution at the 2022 Annual Meeting to increase the directors' fees pool.

Position	2022/23	2021/22
Chair	$78,000	$75,000
Director	$43,000	$40,000
Committee Chair	$6,000	$5,000
NAIT Data Access Panel member	$6,000	$6,000

Remuneration details of directors

Details of the total remuneration and the value of other benefits received by each OSPRI director for the 2022-2023 financial year are as follows. Directors' fees exclude GST where appropriate. In addition, Board members are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Some Board members were remunerated as members of the NAIT Data Access Panel (set up under the National Animal Identification and Tracing (Information System Access Panel) Regulations 2012).

Director	Position	2022/23 Fees	2021/22 Fees
B Harris	Chair	$78,000	$75,000
F Wilson	Director Chair of the HR Committee Member of the NAIT Data Access Panel	$55,000	$51,000
J Parsons	Director Member of the NAIT Data Access Panel	$49,000	$46,000
N Davies-Colley	Director Member of the NAIT Data Access Panel	$49,000	$46,000
S Huria	Director	$43,000	$40,000
M James	Director Chair of the Audit and Risk Committee	$49,000	$45,000
P Reynolds	Director	$26,517	Nil
Total		**$349,517**	**$303,000**

Employee remuneration

The table below shows the number of OSPRI employees who received remuneration and other contracted benefits (including redundancy or termination payments) during 2022-2023 of at least $100,000.

The remuneration figures analysed include all monetary payments actually paid during the course of 2022-2023 whether in respect of 2022-2023 or other periods.

Remuneration bands	# employees 2022/23	# employees 2021/22
$100,000 – $109,999	13	11
$110,000 – $119,999	5	11
$120,000 – $129,999	7	4
$130,000 – $139,999	5	3
$140,000 – $149,999	4	5
$150,000 – $159,999	5	4
$160,000 – $169,999	3	–
$170,000 – $179,999	–	1
$180,000 – $189,999	3	2
$190,000 – $199,999	2	1
$200,000 – $209,999	1	3
$210,000 – $219,999	–	–
$220,000 – $229,999	1	1
$230,000 – $239,999	1	1
$240,000 – $249,999	–	2
$250,000 – $259,999	2	–
$260,000 – $269,999	1	–
$390,000 – $399,999	–	1
$420,000 – $429,999	1	–
Total	**54**	**50**

Auditor's remuneration

BDO was appointed auditor of the OSPRI Group for 2022-2023 at the 2022 Annual Meeting. The following costs for audit fees were incurred by OSPRI New Zealand and its subsidiaries during the 2022-2023 and 2021-2022 years.

Year	For audit work	For other work
2022/23	$48,000	$16,500
2021/22	$42,000	$14,000

Statutory disclosures
Ngā whakapuakanga i raro i te ture

Disclosures of interests by directors

The following are particulars of general disclosures of interest by directors holding office as at 30 June 2023, pursuant to section 140(2) of the Companies Act 1993. Each such director will be regarded as interested in all transactions between OSPRI and the disclosed entity. "Associated entities" refers to non-operating and related subsidiaries.

B S Harris	
Food Innovations Waikato (New Zealand Food Innovation (Waikato) Limited) and associated entities	Chair
M. bovis Free New Zealand Limited	Chair
Melody Dairies Limited	Director
McFall Fuel Limited	Chair
National Animal Identification and Tracing (NAIT) Limited	Chair
National Institute of Water and Atmospheric Research Limited and associated entities	Chair
RMF Holdings Limited	Director
TBfree New Zealand Limited	Chair
Waikato Regional Airport Limited and associated entities	Chair
WEL Networks Limited and associated entities	Chair

F D Wilson	
Centralines Limited	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Oruru Land Company Ltd	Beneficial Shareholder/Director
Predator Free New Zealand Trust	Trustee
Quality Roading and Services (Wairoa) Limited	Director
Real Estate Agents Act 2008	Property Brokers Licensee
TBfree New Zealand Limited	Director

J R Parsons	
AgFirst Northland Limited	Director/Shareholder
Ashgrove Limited and associated entities	Director/Shareholder
Lincoln University Council	Member
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
TBfree New Zealand Limited	Director
Trevear Limited	Director/Shareholder
Wools of New Zealand Holdings Limited and associated entities	Chair/Shareholder
Wools of New Zealand Limited Partnership	Chair

M B James	
Aotearoa Clinical Trials Trust	Trustee
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Naylor Love Enterprises Limited and associated entities	Director
Northpower Limited and associated entities	Director
TBfree New Zealand Limited	Director

N P Davies-Colley	
Kensington Hospital Limited	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Ngarakau Family Trustee Limited	Director/Shareholder
TBfree New Zealand Limited	Director
The Tree People Limited	Shareholder
Tiaki Plantations Company	Chair

S M Huria	
Accessible Properties New Zealand Limited and associated entities	Director
Eke Panuku Development Auckland Limited	Director
Leaderbrand Holdings Limited and associated entities	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Rawa Hohepa Limited	Director/Shareholder
Royal College of General Practitioners	Director
Susan Huria Associates (2003) Limited	Director/Shareholder
TBfree New Zealand Limited	Director
Veterinary Enterprises Group Limited	Shareholder

Dr P H S Reynolds QSO	
AgResearch Limited	Chair
Landcare Research New Zealand	Deputy Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
TBfree New Zealand Limited	Director
Waka Kotahi NZ Transport Agency	Chair

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, OSPRI has continued to indemnify and insure its directors and officers, including directors of subsidiary and associated companies, against potential liability or costs incurred in any proceeding, excluding actions for gross negligence, criminal liability, breach of fiduciary duty or breach of directors' duties.

Subsidiary company directors

Currently all companies of the Group share all directors in common. Directors' fees are paid by OSPRI, and directors' costs are allocated across the Group.

Subsidiaries

OSPRI has the following subsidiaries:

Name	Holding	Principal Activity	Charity #
M. bovis Free New Zealand Limited	**100%**	Implementation of the surveillance programme for Mycoplasma bovis	**CC61116**
National Animal Identification and Tracing (NAIT) Limited	**100%**	Implementing and maintaining the animal identification and tracing scheme	**CC47735**
TBfree New Zealand Limited	**100%**	Implementation of the National Pest Management Plan for Bovine Tuberculosis	**CC49248**

None of the subsidiaries is equity accounted as they are charitable entities. OSPRI will neither receive any future tangible financial benefit from any subsidiary nor will OSPRI be entitled to any distributions on winding up.

Stakeholders' Council

The Stakeholder's Council (the Council) performs the functions and powers required of it under the second schedule of OSPRI's constitution, which are to:

- convey stakeholders' views to the Board
- participate in consultation on Board membership, succession planning and the assessment and recommendation to shareholders of persons for appointment or election as directors
- provide oversight on the performance and effectiveness of the Board
- review and comment on the Group's long-term objectives and strategies, discuss with the Board the Group's performance in achieving those objectives and strategies including review of Board reports, and report to shareholders on the Group's direction, performance and operations
- support the Board, including in relation to the procurement of funding for the Group
- consider and propose constitution changes
- prepare the Council's financial year programme and budget and report on Council activity.

The Stakeholders' Council representatives during 2022-2023 were:

Stakeholder	Representative
Beef + Lamb New Zealand	Scott Gower (from April 2023) Nicky Hyslop (to April 2023)
Dairy Companies Association of New Zealand	Shane Lodge
DairyNZ	Ian Brown
Deer Industry New Zealand	Innes Moffat
Department of Conservation (added as a member in November 2022)	Marie Long
Federated Farmers Dairy	Karl Dean (from mid-June 2023) Wayne Langford (to mid-June 2023)
Federated Farmers Meat and Wool	William Beetham
Local Government New Zealand	Nicol Horrell
Meat Industry Association of New Zealand	Sirma Karapeeva
Ministry for Primary Industries	Stu Hutchings alternating with Mary van Andel
New Zealand Deer Farmers' Association	Justin Stevens (from March 2023) Paddy Boyd (to March 2023)
New Zealand Stock and Station Agents' Association	Steve Morrison
Predator Free 2050	Estelle Pera-Leask
Road Transport Forum	Don Wilson

James Buwalda is the independent Chair of the Stakeholders' Council. The Chair's fees in the 2022-2023 year totalled $44,000.

Consolidated Statement of Service Performance

For the year ended 30 June 2023

Description of OSPRI New Zealand Limited's (OSPRI) outcomes

TBfree New Zealand Limited's overall outcome is to continue reduction of measurements with the goal of eradicating tuberculosis (TB) from cattle and deer by 2026, possums by 2040 and biological eradication of TB by 2055. NAIT is committed to ensuring all cattle and deer are recorded and traced effectively throughout their lives.

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board of OSPRI believes that the statements contained in this report accurately reflect the overall performance of OSPRI for the year ended 30 June 2023.

Outputs	Measures	2023 Outcome	2022 Outcome
The number of bovine TB infected status cattle or deer herds.	The infected herd status is recorded in Disease Management System (DMS) and stored in OSPRI databases and can be accessed via a Power BI tool and reports directly out of DMS. Number recorded as at 30 June.	19	24
The total hectares of TB Vector Risk Area declared free of bovine TB in each financial year.	Number of hectares (within +/- 5%) where eradication has been achieved and reclassified from a vector-risk area to a vector-free area. This is an annual assessment by an independent panel and confirms whether we have proved, to 95% probability, the eradication of TB infection from Vector Risk Areas (areas where wildlife has been or remains infected with TB).	194,068	243,575
Completion of planned vector operations contracts in the financial year on time.	Percentage of vector operation projects completed during the year on time.	73%	72%
Completion of planned vector operations contracts in the financial year within budget.	Percentage of vector operation projects completed during the year within budget.	72%	80%
Annual infected herd period prevalence.	Annual period prevalence of TB infection in deer and cattle herds as a percentage of herds. Period prevalence is calculated by the total number of infected herds in a given period divided by (non-infected herds at the beginning of the period (normally a financial year) plus non-infected herds at the end of the period divided by two). The calculation inputs are from DMS.	0.05%	0.08%

Outputs	Measures	2023 Outcome	2022 Outcome
Percentage of NAIT animals that are registered in the NAIT system prior to their first off-farm movement.	This measure shows where an animal was registered in the NAIT system prior to being recorded in an animal movement. Person in Charge of Animals (PICAs) are obligated to ensure all animals are correctly tagged and registered within 180 days of birth or their first off farm movement, whichever comes first. This measure takes all animals that were registered in the NAIT system within a given time frame and determines if they were registered correctly or if they were registered by the recording of a movement, and therefore failed to be registered correctly. As it is not possible to retrospectively register an animal, this figure is static.	94.5%	93.7%
Percentage of animal movements recorded within 48 hours.	This measure shows timeliness of all movements recorded within a time frame. PICAs are obligated to record all animal movements on and off their NAIT location within 48 hours (starting from the end of the day that the movement took place). This measure is dynamic, and it is important to include the collection date when providing this figure. As more movements are recorded retrospectively, the percentage of compliant movements will decrease over time.	59.3%	54.7%
Average wait time for Support Centre to answer calls.	Average speed of a phone call answer over the course of the year in minutes and seconds.	6mins 6 secs	5mins 15 secs

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	2023 $000	2022 $000
Revenue		
Revenue from non-exchange transactions	73,418	67,263
Revenue from exchange transactions	1,214	623
Total revenue	**74,632**	**67,886**
Expenditure		
Pest control and management	34,452	35,708
Disease management and testing	13,488	14,009
Animal identification and tracing operations	3,437	3,225
Support centre	2,215	2,246
Research	1,894	1,838
Information technology	8,376	6,264
Corporate services	10,969	9,310
Total expenditure	**74,831**	**72,600**
Deficit before financing costs	**(199)**	**(4,714)**
Interest income	247	187
Surplus/(Deficit) for the year	**48**	**(4,527)**
Total comprehensive revenue and expense for the year	**48**	**(4,527)**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from OSPRI New Zealand Limited or on our website www.ospri.co.nz. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Accumulated Revenue and Expense $000	Total Equity $000
Opening equity as at 1 July 2022	28,002	28,002
Total comprehensive revenue and expense for the year	48	48
Equity as at 30 June 2023	**28,050**	**28,050**
Opening equity as at 1 July 2021	32,529	32,529
Total comprehensive revenue and expense for the year	(4,527)	(4,527)
Equity as at 30 June 2022	**28,002**	**28,002**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from OSPRI New Zealand Limited or on our website www.ospri.co.nz. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	2023 $000	2022 $000
Assets		
Current assets		
Cash at bank	10,792	14,938
Receivables and other current assets	5,777	4,460
Term investments	–	4,500
Total current assets	**16,569**	**23,898**
Non-current assets		
Property, plant and equipment	649	887
Intangible assets	20,046	14,165
Total non-current assets	**20,695**	**15,052**
Total assets	**37,264**	**38,950**
Liabilities		
Current liabilities		
Trade payables and other liabilities	8,130	9,841
Revenue received in advance	–	–
Employee benefits liability	1,084	1,107
Total current liabilities	**9,214**	**10,948**
Total liabilities	**9,214**	**10,948**
Equity		
Retained earnings	28,050	28,002
Total equity	**28,050**	**28,002**
Total equity and liabilities	**37,264**	**38,950**

Approval by the Directors

The Financial Statements were authorised on behalf of the Board of Directors on 21 September 2023.

Dr P H S Reynolds
Acting Chair

M B D James
Director

These are summary Group financial statements. A copy of the full consolidated financial statements is available from OSPRI New Zealand Limited or on our website www.ospri.co.nz. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	2023 $000	2022 $000
Cash flows from operating activities		
Revenue from operations	73,598	68,170
Payments to employees and suppliers	(74,246)	(69,064)
Net cash flows used in operating activities	**(648)**	**(894)**
Cash flows from investing activities		
Interest income	276	200
Term deposits invested	–	(28,500)
Term deposits matured	4,500	42,500
Purchase of property, plant and equipment	(128)	(618)
Purchase of intangible assets	(8,146)	(7,666)
Net cash flows (used in)/from investing activities	**(3,498)**	**5,917**
Net (decrease)/increase in cash at bank	**(4,146)**	**5,023**
Opening cash at bank	14,938	9,915
Closing cash at bank	**10,792**	**14,938**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from OSPRI New Zealand Limited or on our website www.ospri.co.nz. The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Note 1 Basis of preparation – Summary statements

The summary consolidated financial statements have been prepared in accordance with, and comply with, New Zealand Generally Accepted Accounting Practice (NZ GAAP) and NZFRS-43 Summary Financial Statements.

Note 2 Basis of preparation – Full statements

This summary consolidated financial report does not provide the detail included in the full financial report, which has been prepared in accordance with NZ GAAP and complies with Tier 1 Public Benefit Entity Accounting Standards (Not-For-Profit). The specific disclosures included in the summary consolidated financial statements have been extracted from the audited consolidated financial statements dated 21 September 2023. The audit opinion expressed in respect of those consolidated financial statements was unqualified.

Changes due to the initial application of new, revised and amended PBE Standards

(i) PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by the Group on 1 July 2022.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurements of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has had an immaterial impact on the Group's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost.

(ii) PBE FRS 48 Service Performance Reporting is effective from 1 January 2022 and was adopted by the Group on 1 July 2022.

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the Statement of Service Performance.

Note 3 Annual report

The full annual report is available on our website – www.ospri.co.nz.

Note 4 Segment information

The Group is organised and reports to the directors on the basis of three functional areas: OSPRI (Parent), TBfree and NAIT (wholly owned subsidiaries). Expenses incurred by OSPRI on behalf of its subsidiaries are allocated across the two other functional areas on a proportional basis.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

	OSPRI $000	TBfree $000	NAIT $000	Group $000
Operating revenue	1,214	61,053	12,365	**74,632**
Operating expenditure	1,215	61,372	12,244	**74,831**
Net operating surplus/(deficit) for the year	**(1)**	**(319)**	**121**	**(199)**
Interest income	–	188	59	**247**
Total comprehensive revenue and expense for the year	**(1)**	**(131)**	**180**	**48**

Statement of Financial Position as at 30 June 2023

	OSPRI $000	TBfree $000	NAIT $000	Intra-Group $000	Group $000
Total assets	5,633	19,895	13,951	(2,215)	**37,264**
Current liabilities	3,759	5,785	1,885	(2,215)	**9,214**
Total equity	**1,874**	**14,110**	**12,066**	**–**	**28,050**

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	OSPRI $000	TBfree $000	NAIT $000	Group $000
Operating revenue	623	60,337	6,927	**67,886**
Operating expenditure	631	61,707	10,262	**72,600**
Net operating deficit for the year	(8)	(1,370)	(3,335)	**(4,714)**
Interest income	–	116	71	**187**
Total comprehensive revenue and expense for the year	**–**	**(1,254)**	**(3,264)**	**(4,527)**

Statement of Financial Position as at 30 June 2022

	OSPRI $000	TBfree $000	NAIT $000	Intra-Group $000	Group $000
Total assets	4,578	23,762	13,021	(2,410)	**38,950**
Current liabilities	2,703	9,521	1,135	(2,410)	**10,948**
Total equity	**1,875**	**14,241**	**11,886**	**–**	**28,002**

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF OSPRI NEW ZEALAND LIMITED

Report on the Summary Annual Report

The summary annual report was derived from the Annual Report of OSPRI New Zealand Limited for the year ended 30 June 2023.

The summary annual report comprises of the summary consolidated financial statements on pages 3 to 6, and the summary consolidated service performance information on pages 2. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying summary annual report is consistent, in all material respects, with the audited annual report, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary Annual Report

The summary Annual Report does not contain all the disclosures included in the general purpose financial report. Reading the summary Annual Report and the auditor's report thereon, therefore, is not a substitute for reading the audited Annual Report and the auditor's report thereon. The summary annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the consolidated general purpose financial report.

The Audited Consolidated General Purpose Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated Annual Report in our report dated 21 September 2023.

Directors' Responsibility for the Summary Annual Report

Directors are responsible on behalf of the entity for the preparation of the summary Annual Report in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary Annual Report are consistent, in all material respects, with the audited consolidated general purpose financial report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interests in, OSPRI New Zealand Limited.

BDO Wellington Audit Limited

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
21 September 2023


AG VISION
feed partners
NAIT
AsureQuality
Kaitiaki Kai
Hill Laboratories
fertco
AsureQuality
Kaitiaki Kai
PIONEER
OSPRI
Chat to us
about how
Working
together
beef+lamb


OSPRI
TBfree
scion
agresearch
NIWA
Manaaki Whenua Landcare Research
Looking for Cup Removers?
Waikato REGIONAL COUNCIL
Vibrant communities
it for a better world
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OSPRI
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