

Biosecurity considerations for Boards

Protecting your business, New Zealand's
unique natural environment, its
economy and our way of life.



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The Biosecurity Business Pledge

For more information on the Pledge and other useful guidance and business tools please visit our website:

bbpledge.nz

If your business is not a member we encourage you to join today.

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Good biosecurity risk management is simply good business for us all.

Foreword

As an isolated island nation, New Zealand's unique biodiversity has long benefited by being free from many of the pest and diseases found in other parts of the world. Alongside plenty of hard mahi, our biodiversity status has helped our farmers and growers to build an enviable track record and international reputation for the quality of our food and fibre exports.

Technology and the global trade system – which we benefit from immensely – have all but removed the natural barriers that acted as our first line of defence against the many invasive species that threaten our biodiversity and primary industries that are the backbone of our export economy.

As the risk to our biodiversity increases in-line with the increasing movements of passengers and freight, it's incumbent on the primary sector and our supporting partners to ensuring our individual biosecurity practices contribute to the protection of our unique environment. Crucially, we should also require that all suppliers, particularly offshore, adhere to current best practices and seek constant improvement.

I am proud to be involved with the work of the Biosecurity Business Pledge; the first initiative better equips businesses with the knowledge and tools needed for effective biosecurity risk management, including this guidance.

It's a timely piece of work, as we face into the risk of the Brown Marmorated Stink Bug and foot-and-mouth disease finding their way onto our shores. The economic cost and disruption that would occur would

be devastating to us all. Business disruption would be massive, and livelihoods would be lost. The economic cost of an outbreak of foot-and-mouth disease alone could cost New Zealand \$16 billion over four to five years.

Boards and directors have a crucial role in driving biosecurity excellence to ensure the long-term sustainability of their organisations, industries and the economy.

Your role in ensuring biosecurity risk is managed and embedded into your organisation's culture has never been more vital than now. If we are to protect our primary sectors and maintain a strong reputation for the quality of our food and fibre exports, then board leadership is essential.

Biosecurity should also be considered an equal part of good business risk management alongside your approach to health and safety at work, and food safety, with potentially similar levels of legal liability for companies and directors.

I am happy to endorse this work and encourage you to use this resource to help raise biosecurity standards and excellence in New Zealand.

Peter McBride
Chairman, Fonterra Co-operative Group

Biosecurity for New Zealand Boards

Directors have an obligation to be aware of all types of risks to a business and to ensure they're appropriately managed. In New Zealand, the risk of unwanted pests (plant or animal) and diseases may disrupt individual businesses and sectors, our economy, our environment, and even our way of life.

It is critical that all Boards ensure that they are regularly reviewing biosecurity risks to ensure their organisation has the appropriate measures in place. For many businesses, risk management is an area of their core business strategy and they are used to constantly monitoring these. However, some organisations will be less advanced in their approach to biosecurity governance and management and will not have included biosecurity in their risk registers for Board discussion.

Some directors may ask why their business should add biosecurity to the risk register when their operations may not be disrupted by unwanted pests and diseases? The reality is that protecting our economy, our primary sectors, our environment and our way of life is everyone's responsibility.

We say to you, yes, your business has a role to play too. No one wants to be sitting on the Board of an organisation importing goods in a shipping container, or using a ship determined to be the source of a biosecurity incursion, impacting or effectively shutting down other businesses, or an entire sector. Good biosecurity risk management is simply good business for all of us.

Your business may have specific biosecurity requirements under the Biosecurity Act 1993 and its regulations that outline compliance measures for businesses to operate safely. We do not cover this information in this guidance. If you have any compliance questions, we strongly recommend that you seek independent advice or speak to the regulator – Biosecurity New Zealand.

The following has been developed for consideration for small and large companies and organisations operating within New Zealand. We recommend you select the most appropriate areas outlined in the following pages and tailor them to suit your own business's needs. There is also a more operational guide for CEOs to use.

There are five core principles for Boards in the oversight of biosecurity risks

1. Take a holistic approach

Boards should approach biosecurity as an organisation-wide risk management issue, not just an operational issue.

2. Understand the legislative environment

Boards should understand the legal implications of biosecurity risks as they apply to the organisation's specific circumstances.

3. Access expertise and put biosecurity on the Board agenda

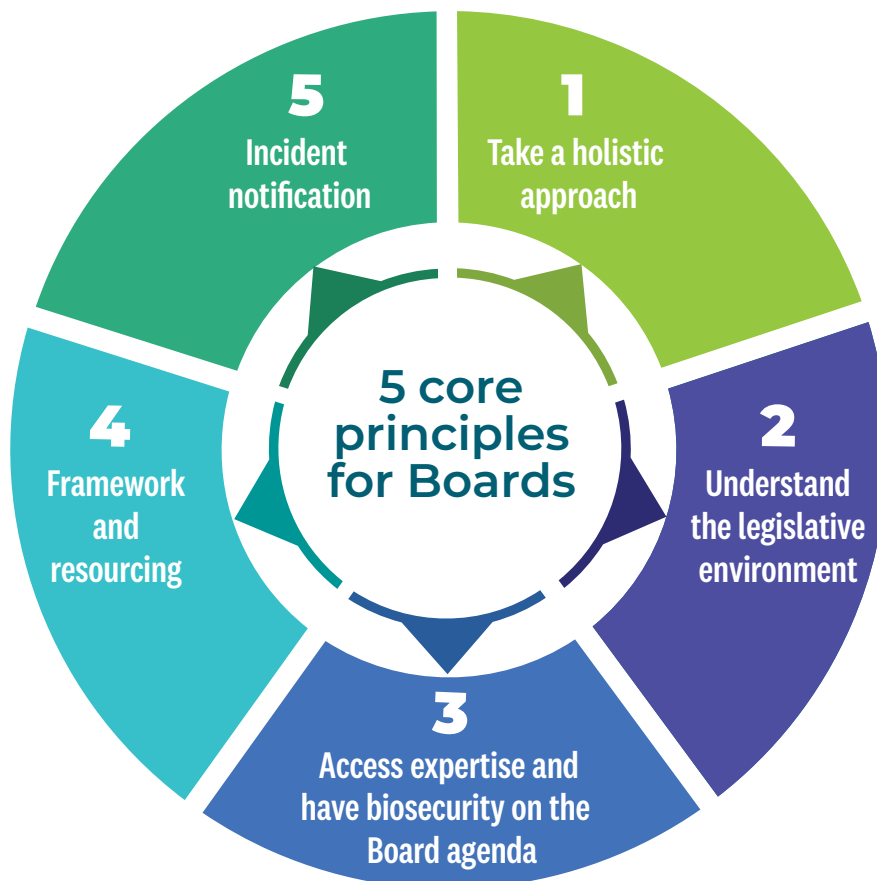
Boards should have adequate access to biosecurity expertise. Discussions about biosecurity risk management should be given regular and adequate time on the Board meeting agenda.

4. Establish a framework and resource the operational approach

Boards should set the expectation that management will establish an organisation-wide framework to the constant surveillance, monitoring and management of risks. Dedicated resources should be applied to ensure the organisation is best poised to mitigating biosecurity risks.

5. Incident notification

Organisations and people that have experienced a biosecurity incident should report it/them both internally and externally, meeting both organisation procedures and any regulatory standards they are subject to.



DIRECTOR'S CHECKLIST

1 Commit to biosecurity governance

2 Lead our biosecurity culture and ensure workforce sustainability

3 Set expectations in our supply chain

4 Consider partnerships

5 Appraise the wider landscape

6 Assure risk is assessed and managed

7 Monitor system and performance design

1. Commit to biosecurity governance

- Do we understand my biosecurity obligations and liabilities?
- Do we have sufficient understanding about biosecurity basics to enable informed and productive engagement?
- Is biosecurity in the Board Charter and are expectations established? Are these known by all staff?
- Is biosecurity a standing item on our Board agenda, and is there true engagement about issues, performance, capability and capacity building?

- Does biosecurity feature in our strategy and capital works programme?
- Do we have familiarity with the Biosecurity Act 1993?

Policy and goals

- Is there a company biosecurity policy and are goals established? Are these known by all staff?
- Has the Board discussed its biosecurity risk appetite? Has the executive team been involved?

Documentation

- Do our Board minutes reflect our commitment to, and consideration of, biosecurity?

2. Lead our biosecurity culture and ensure workforce sustainability

- Have we invested in biosecurity culture, planning and familiarity across the organisation and in our directors?
- Have we assigned responsibility to a role, for example, a biosecurity manager?
- How does biosecurity fare when difficult decisions have to be made?
- When we do site visits, does biosecurity come up in discussion?
- What is the status on biosecurity training across the business?
- Do we communicate regularly with staff whether in our signage, in our weekly team stand ups, and is it available to contractors and visitors to site?
- Do we have a risk organism response plan(s) in place (if appropriate) along with appropriate governance around this?
- Do we assess biosecurity risk management culture through a staff or engagement survey? Are we acting on the findings?
- Are our people comfortable in speaking up about biosecurity risks or whistleblowing on the same?
- Have we invested in or do we have access to sufficient workforce capability and capacity e.g. technical staff who can lead biosecurity operational activities and support decision-making?
- Have we sufficient scalability and mitigations in place to ensure an appropriate and timely response as issues arise?
- Have we ensured knowledge is embedded beyond key staff to ensure our approach is sustainable and not reliant on any one critical staff member?

3. Set expectations in our supply chain

- Do our suppliers have a biosecurity plan?
- Do we have biosecurity conversations with our stakeholders?
- Do we have biosecurity clauses in our operating procedures and legal contracts?

4. Consider partnerships

- Do we understand how our business's operations and biosecurity practices may impact on the viability of other businesses/sectors/regions and economy and work with these other impacted parties to ensure a coordinated approach to mitigate risks?
- What are our wider partnership settings around biosecurity events – have key stakeholder relationships been developed to enable aligned purpose, direction and values to ensure successful delivery of strategic objectives in a biosecurity incident?
- Have we developed agreed frameworks ahead of time (e.g. Government Industry Agreements (GIA)) – roles and responsibilities, decision making, funding, cost shares and strategic communications (national and regional)?
- What success measure and metrics need to be set to balance all partners expectations and balanced governance outcomes (economic, trade, social impacts, cultural and environmental)?

5. Appraise the wider landscape

- What wider events/context require risk assessment mitigation, e.g. national events (COVID-19 flow-on impacts), constant review of competing priorities for time, investment and our shareholders attention?

6. Assure risk is assessed and managed

- Do we understand our key biosecurity risks? Does the risk register include our biosecurity risks?
- Has there been a review of biosecurity risk/s recently? Does it reflect changes in risk(s) profile?
- Are we assured there are adequate business-wide biosecurity management processes, controls and reporting in place?
- Does biosecurity involvement extend across the whole business? Have we considered upstream and downstream activities provided by other parties?
- Have incident and crisis response and communication plans been prepared and rehearsed?
- Does the communication plan identify who can say what? Is there a back-up spokesperson?

7. Monitor system and performance design

- Does the person responsible for biosecurity have ready access to the Chief Executive Officer?
- Does biosecurity have a place in the CEO's performance incentives? Is there conflict between biosecurity and other performance measures?
- Is our organisation's system capacity balanced with biosecurity requirements?
- How do we address tension between biosecurity and other objectives, e.g. productivity, sales and marketing or research and development?
- Have we thought about malicious or criminal attacks on our business? This may include bio-sabotage or the deliberate introduction of, or exposure to, biosecurity risks.
- What should we be measuring to ensure we improve our biosecurity practices and lower our risk profile?

- Is reporting balanced with a mix of lead and lag indicators coupled with performance reporting on specific matters?
- Do we have a clear picture of our biosecurity status and issues, and how they are being handled?
- Have we considered benchmarking our performance?
- Do we know what types of biosecurity decisions will be referred to the Board?
- How are we performing in any compliance and verification requirements? Are we learning from them?
- Have we done a crisis simulation recently using a biosecurity scenario?
- Has our crisis management and communications plan been rehearsed recently?
 - Did we learn from it?
 - Was it truly testing?
 - Were there independent observers?
- Are we confident that our media response will be appropriate? Do we have a trained alternate if the primary media person is unavailable?

Types of biosecurity decisions the Board may consider

- Setting the Board biosecurity statement.
- Setting biosecurity expectations including culture and key performance measures.
- Contributing to the biosecurity policy.
- Setting risk appetite for biosecurity:
 - things that we must always do;
 - things we will never do; and
 - a process where issues are not clear cut – the ‘grey areas’ and how to handle these.
- Reviewing biosecurity situations where decisions are not clearly covered by the risk appetite statement.
- Setting the ongoing strategy with respect to biosecurity.
- Authorising and approving capital investment and major maintenance decisions where biosecurity is a decision factor.
- Our [CEO guide to the management of biosecurity risk](#) is also available online at: bbpledge.nz/resources/biosecurity-governance

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