

Plants Market Access Council

– a Government/ Industry partnership that works

February 2015

Introduction

The payment for Government services that provide a private benefit (“user pays”) was introduced by the 1984 Lange Government, both on sound policy grounds and as a contribution to resolving the Government’s financial crisis.

Where user pays fees were introduced for regulated services with no market pressure control on price, there was an expectation from both the users of these services and the Government that government agencies would consult with users on the nature of the services, their cost and the mechanism for recovering the costs. This gave rise to the popular jargon “user pays – user says”.

Over the years a number of consultative mechanisms have been used to try and give effect to the “user pays – user says” principle. These have ranged from annual consultations with representative industry organisations to the establishment of standing advisory bodies. Regulated industries have generally been unhappy with the processes involved, feeling that the power imbalance in favour of the agencies resulted in perfunctory consultation processes with little transparency around costs and minimal influence on activities undertaken.

The Plant Market Access Council (PMAC) is now considered to set the benchmark for successful consultative committees. As such its history provides an interesting case study of the issues faced by these consultative mechanisms and how to resolve them

History of PMAC

1992: Market Access Consultative Committee – Plants (PMACC) was formed. It consisted of key industry representatives with whom the Chief Plants Officer (Ministry of Agriculture and Fisheries) could consult on matters such as development of markets and cost of maintaining access

1996: MAF undertakes review of Plant Export Certification Services with a view to improving both industry knowledge of them and their participation in export certification processes. The outcome was PMACC became an Incorporated Society with an MOU with MAF to set up a Forum that would focus on obtaining market access outcomes that were in the best interests of the Industry

2000: A further review of official assurance arrangements associated with plant product exports was undertaken with the recommendation that “*The Plant Market Access Consultative Committee be repositioned as the peak body for the development and implementation of the strategy for New Zealand’s market access and export assurance programmes for all plants and plant products*” To give effect to this recommendation the PMACC was reconstituted as the Plant Market access Council (PMAC) in 2002 with its broader brief and a clearly defined set of membership categories.

2003: PMAC appoints an Executive Secretary, reporting to the Chair of the Council, to support the operations of the Council and the Incorporated Society.

Chairman’s report

2008: The Ministry of Foreign Affairs and Trade (MFAT) joins the Council in recognition of the benefits that would flow to all parties from linking an understanding of market access processes and issues from producers all the way through to high level market access strategists and negotiators.

2010: PMAC appoints an Independent Chairman

PMAC now – an overview (www.pmac.co.nz)

The Plant market Access Council (PMAC) is a council, made up of Industry and Government agencies that work in partnership to optimise market access for the Horticultural and Arable (plant) industries.

PMAC provides a forum where market access issues are freely discussed between Industry and Government representatives allowing them to agree strategies to remediate and improve market access.

PMAC is supported by an independent Chair and an Executive Officer. PMAC agrees the use of money collected from plant exporters every time they are provided with a phytosanitary certificate.

See also the box on PMAC's role and strategy.

Key Issues Faced

The key issues faced by PMAC during its evolution included:

1. A lack of clarity around the purpose, scope and authority of the consultative group.
2. Frustration from Industry members over a perception of token consultation – limited information provided, being advised of decisions after the fact and no real input into decision making.
3. Officials reluctant to attend because of verbal attack and lack of authority to make decisions.
4. Not having the right people at the table – both in terms of the industry coverage and the level of the individual within the organisation
5. Poorly controlled meetings with the chair often seen as lacking neutrality.
6. Confusion over the rules of 'user pays', particularly over an understanding of the boundaries between public good, collective industry good and private good activities undertaken by the agency.
7. A lack of transparency of the cost structures of the agency and the mechanism for allocating costs to the charged activities.
8. Confusion over the relationship to the Minister and whether or not the Council can advocate positions to Ministers.
9. Participants from all parties coming to the table with preconceived views rather than an open mind.

PMAC Role and Strategy

Vision

Market access that is internationally second to none contributes strongly to profits for New Zealand's growers and exporters

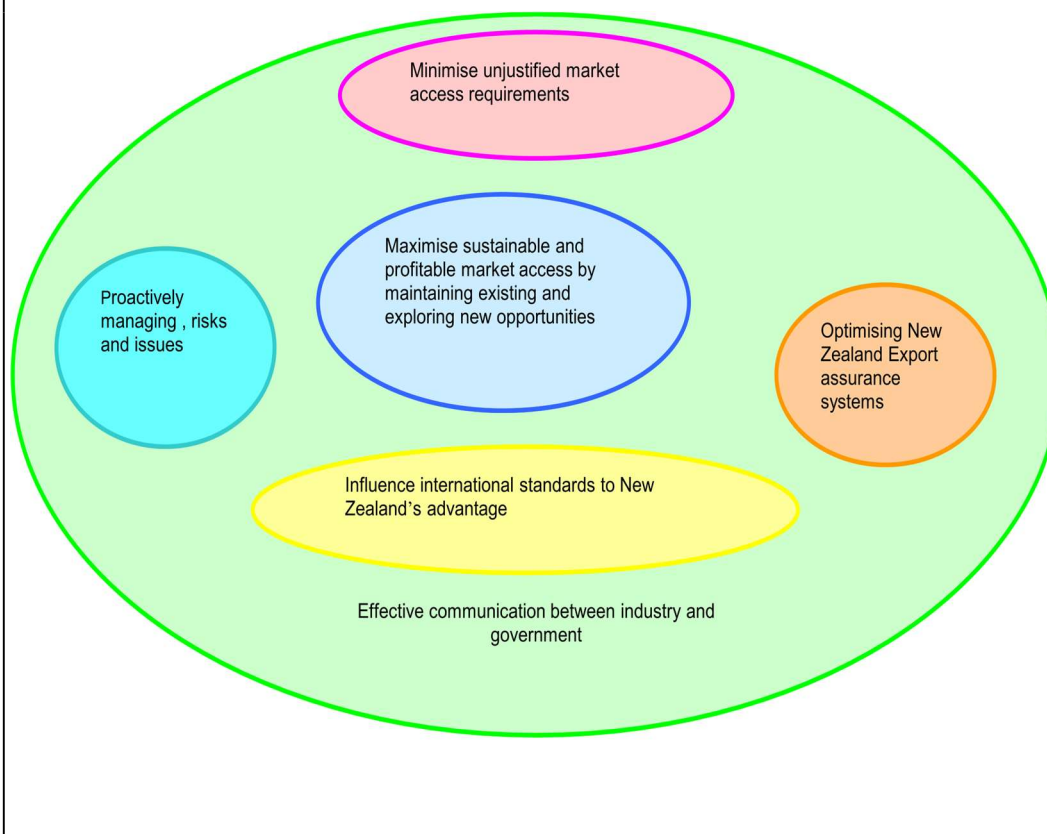
Purpose

Increase economic returns to New Zealand through sustainable and profitable market access for plant products.

Mission

A partnership between Industry, MPI and MFAT that provides strategic leadership to drive market access and increase industry' profits

Our Goals



Key Success Factors for PMAC

The key factors that have transformed PMAC into an effective entity able to properly fulfil its role include:

1. The formation of PMAC as an incorporated society.
 - i. This gave form and a sense of longevity to the partnership between all participants. The rules of the society provide an effective administrative framework.
2. The appointment of an independent executive officer (EO) and Chairman

Chairman's report

- i. The Chair and EO ensure that the work of the Council and the actions of the members focus on PMAC's goals and collective interest.
 - ii. The Chair and EO also ensure that the PMAC work undertaken by the member agencies is effectively profiled to the industry and that individual projects maintain their momentum between meetings minimising delays in delivery.
3. A clear set of administrative policies approved by the Council that provide clear guidance for both administrative processes and behaviours. Key among these policies are:
 - i. A Code of Conduct.
 - ii. An Advocacy Policy.
 - iii. A Communications Policy.
4. The right membership.
 - i. All the key players in the plant export sectors (large growers, industry associations, exporters and quality assurance organisations) and from Government (MPI and MFAT) are members of the Council.
 - ii. The individuals appointed to the council by their constituent organisations have a strategic focus and have the seniority and status to speak on behalf of and commit their organisations.
5. Clarity around PMAC's role and strategic direction.
 - i. PMAC operates under a strategic plan that is updated every 2 years and written in language that aligns to the interests of both the commercial parties and the Government regulator. See wording in the box on PMAC role and strategy.
6. Council meetings focus on strategic matters.
 - i. The Council operates under 'good governance' rules with a focus on strategic matters, approving work plans, agreeing budgets and tracking performance.
 - ii. Technical matters are referred to working groups whose membership can be drawn from among the member organisations to get the requisite skills represented.
7. Willingness of the Government Agency (MPI) for genuine involvement of the Council in fee setting, workplan approval and programme budget approval and to be open and transparent around the agencies cost structures.
 - i. This willingness has evolved with a developing service culture within the agency and a confidence in the performance of PMAC.
8. Active communication by the Secretariat to members and the wider plants industries about PMAC activities.
 - i. Increased awareness has resulted in less concern from industry about lack of support by Agencies and reduced the barriers normally associated with the implementation of new initiatives.
9. Recognition by all parties that their individual interests are better met by having a PMAC than not having it.
 - i. This acceptance has led to a change in the mindset of participants, removing the acrimony from debate enabling open and frank discussion.

Evidence of PMAC Success

Some examples below illustrate the success of this Government/Industry partnership:

1. The development of a successful electronic certification system with strong PMAC input into functionality and design.
2. The development of a transparent market access prioritisation process.
3. Increased market access capability within MPI funded by industry agreeing to increase fees.
4. Combined Government/Industry input into trading country access proposals (e.g. US FDA food safety rules).
5. Rapid sharing of industry and Government information about market access issues producing faster and better resolutions (e.g. Indonesian quota and inspection proposals, and Russian labelling issue).
6. Establishment of joint projects under the PMAC umbrella to:
 - i. Develop and negotiate protocols for trade continuation in the event of a future fruit fly incursion.
 - ii. Review the plant exports phytosanitary certification system (standards, guidelines, official assurance programmes and audits) to ensure clarity, alignment and efficiency.
 - iii. Streamline PMAC partners joint activities (information sharing and communication channels)

Summary

The Plant Market Access Council has evolved over the years from an informal consultative body on Government user pays charges in the plant exports sector into an effective partnership between government agencies and plant export sector organisations working collaboratively on matters of common interest.

This evolution provides some useful learning for others setting up Government/ Industry partnerships. Fundamental to the success of such partnerships are clarity of purpose, operating according to good governance principles, agreed understanding of core elements, and being seen to add value for all the participants

Dr Russ Ballard
(Independent Chairman, PMAC)