



PLANTS MARKET ACCESS COUNCIL INC.  
(PMAC)

Annual report

Year to 30 June 2023

# PMAC Members

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# Highlights 2022-23

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## 1. New Market Access

*Strawberries and squash get access to Vietnam.*

## 2. Smooth Implementation of a New Process

*Phytosanitary certificate issuance by MPI is successfully implemented.*

## 3. FTA with EU signed

*sees 99.9% of tariffs slashed for horticulture exports from day one and an estimated annual savings of \$46million.*

## 4. FTA with UK in place

*providing immediate tariff savings for onions, kiwifruit and over 3 years for apples.*

## 5. Processes Improvement

*Market Access Prioritisation process is refined to reduce log jams and enable a more nimble and transparent response to market access opportunities.*

## 6. Travel and in-persons meetings ramp up

*between New Zealand and importing countries facilitating the negotiation of trade agreements and arrangements.*

## 7. China removes COVID-19 restrictions

*reducing compliance requirements for growers and exporters, and enabling trade delegations to travel and meet in person in our respective countries again.*

## 8. Our export sector measures up under scrutiny

*No non compliances raised in in-country audits by importing countries.*

## 9. Digital outcomes that save time and money

*Electronic (non-physical) signatures on phytosanitary certificates extended to France, Italy and Spain.*

## 10. PMAC goes on-site

*PMAC's hosts its first fieldtrip in 2 years – a welcome opportunity for members to reconnect as a group, share knowledge and support Hawke's Bay growers and the community.*

## Chair's report

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It has been a continuing privilege to Chair PMAC and to present this 2022-23 Annual Report.

The 2022-23 year started with high hopes of a return to “normality”. We were through the worst of COVID-19, borders were re-opening, exports were moving more predictably, and meetings with trading partners to negotiate trade arrangements were resuming face-to-face – and although there were still challenges such as a shortage in the workforce – many sectors were looking forward to a great harvest and improved export returns.

As we all know, a series of adverse weather events reminded the sector of the reality of climate change and the devastating impact that the resulting adverse weather events have on growers, businesses and the community. Although we can put a dollar value on the losses from the event to the sector, exports and to rebuild the sector, these events have a human cost that can't be quantified and will be felt for many years.

While the impact of Cyclone Gabrielle and other adverse weather events has dominated discussions at PMAC – and was an immediate priority for industry bodies and MPI over many months – I am pleased to report that progress has been made over the past year in achieving PMAC's goals. PMAC continues to provide an effective forum to hold strategic discussions on matters relating to exports through its Council Meetings, we assist the progress of key projects through the PMAC-MPI working groups, and provided advice into the MPI Cost Recovery Fund Work programmes and budget. Achievements over the year include new market access arrangements, process improvements and upgrades to the ePhyto system, and robust debates and feedback on proposed new developments such as the Export Legislation. These are outlined in more detail in the following pages of the Annual Report.

On a less positive note, the number of phytosanitary certificates issued by MPI has declined for the third year in a row. This directly impacts on revenues from cost recovered funds (CRF) and the Phytosanitary CRF memorandum account has dropped further into deficit. While some of this decline is a result of the reduced plant exports over the year, the CRF is critical to the work that is carried out to support exports and build new market opportunities, and therefore represents a risk to plant exports. A key focus for PMAC in the coming year will be to address the shortfall in cost recovered funds. This will ensure we are able to continue the important project and 'business as usual' tasks the phytosanitary certificate income supports and maintain the 'memorandum account' at an appropriate level.

Finally, I would like to thank the members of PMAC and the Executive Officer for their contribution to the Executive Council, Working groups and to other projects and activities. I continue to be inspired by the commitment, hard work and passion of those around the PMAC table.

Nāku noa, nā,

Michael Ahie

Chair, PMAC



# PMAC strategy 2021-2026

## OUR VISION



TO PROVIDE MARKET ACCESS THAT IS INTERNATIONALLY  
SECOND TO NONE AND CONTRIBUTES STRONGLY TO  
PROFITS FOR NEW ZEALAND GROWERS AND EXPORTERS



### 01

#### OUTCOMES

THAT CONTRIBUTE  
TO MPI'S AND INDUSTRIES  
GROWTH AGENDA'S

- 01 Influencing national standards
- 02 Minimising unjustified requirements
- 03 Maximising sustainable profitable access
- 04 Managing risks and issues
- 05 Optimising New Zealand's export assurance

### 02

#### GOALS

PMAC GOAL'S  
2021-2026

- 01 Delivery of annual work plan
- 02 World class assurance system
- 03 Enduring market access for New Zealand's plant products
- 04 Communicate PMAC activity effectively
- 05 Mitigate risk actively and proactively

### 03

#### DELIVER

WE DELIVER BY

- 01 Facilitating open communication between industry and government
- 02 Working together to maintain and grow:
  - Assurance system integrity
  - Flexibility for exporters
  - Cost effective processes
  - Profitable sustainable exports
- 03 Support delivery of export components of:
  - Sector and
  - Agency strategies



# Executive Officer's Report

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It's been an exciting first year in my role as Executive Officer at PMAC, getting up to speed with the various projects and activities that PMAC is involved in, understanding the issues that affect our exporters, and of course, getting to know a new suite of acronyms!

PMAC has an important role as a forum to discuss issues that are critical to plant product exports, to provide advice and support to the work being carried out by government agencies that enable our plant products to be exported to overseas markets, and to identify risks and opportunities. There are always opportunities and demand for our plant products in overseas markets. But as our members know well, the export landscape is becoming increasingly complex and additional assurances will be highly likely in the future. A key challenge is navigating current and potential future requirements in a way that is efficient and cost effective for the growers/ exporters without compromising our market access or the reputation of 'NZ Inc'.



Over the past year, some of the most robust discussions and debates at Council meetings and in working groups have come when considering potential future requirements such as a food safety assurance framework or an export legalisation, and the cost /benefit of these to growers and exporters. PMAC may not have influence over what is ultimately required by an importing country but it does provide a safe and effective forum to bring a range of perspectives to the table. It also enables a focus on solutions that are pragmatic, cost-effective and avoid duplication. In the case of some projects, finding these solutions is still "work in progress" but I have been impressed with the willingness of all members to participate constructively in the process and be open-minded.

A particular highlight of the year for me personally was organising the PMAC combined Council meeting and fieldtrip to the Hawke's Bay in May 2023. This had originally been scheduled for late February but was postponed following Cyclone Gabrielle which hit the week prior. The PMAC fieldtrips are highly valued by members as an opportunity to learn about different parts of the sector, interact with other members in a more social environment, and strengthen collaboration within the council. The 2023 event was well received by all the participants delivering on all of the above but also an understanding of what growers and businesses have gone through as a result of the cyclone and the challenges ahead. We appreciated that organisations and businesses in the Hawke's Bay hosted us during a challenging time and shared insights that will prove invaluable for preparing for future climate events.

We have a busy year ahead with an ambitious work programme across the many areas funded by the phytosanitary cost recovery fund budget as well as being involved in other projects that also need to be on our radar such as the Future of Certification. I look forward to working with PMAC members on these and other new and emerging areas that affect our plant product exports over the coming months.

Finally I would like to thank all the members of PMAC for your support and assistance over the year, and I look forward to continuing to provide you with value and benefit of being part of PMAC.

Michelle Glogau

Executive Officer, PMAC



# Our People

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## PMAC EXECUTIVE COUNCIL

The PMAC Executive Council is made up of representatives of Special and Ordinary members.

Michael Ahie	Chair	Kate Hellstrom	Summerfruit NZ
Michelle Glogau	Executive Officer	Paul Turner	New Zealand Plant Producers Inc (NZPPI)
Andy Warren	NZ Flower Exporters Assoc (Vice Chair)	Peter Ensor	Citrus NZ
Anna Rathe	Horticulture New Zealand	Simon Hegarty	NZ Horticulture Export Authority (HEA)
Danielle Adsett	NZ Apples and Pears Inc (NZAPI)	Thomas Chin	NZ Grain & Seed Trade Assn (NZGSTA)
Farzana Adams	Zespri International Ltd.	Tony Ponder	Horticultural Exporters Council (HEC)
James Kuperus	Onions NZ	Steve Ainsworth	Ministry for Primary Industries (MPI)
Jen Scoular	New Zealand Avocado	Pete Thomson	Ministry for Primary Industries (MPI)
		Brian Wilson	Ministry of Foreign Affairs and Trade (MFAT)

## PMAC-MPI WORKING GROUPS

An important part of PMAC's activities, the PMAC-MPI working groups are composed of staff and representatives from our members and other stakeholders. Their input and contributions are important and appreciated.

### Australian Border Working Group

Shane Olsen – Manager, Plant Exports, MPI, Chair  
Daniel Hutchins – Gourmet Blueberries Ltd.  
Brad Siebert – NZ Avocado  
Danielle Adsett – NZAPI  
Glenys Parton – NZ Avocado  
Ian Turk – Persimmon Industry Council  
Jen Scoular – NZ Avocado  
Julie Cross – NZ KiwiBerry Growers Inc  
Liz Te Amo – Blueberries NZ  
Neil McLoughlin – New Zealand Kiwifruit Product Group to Australia (KPG)  
Nicki Fitzgerald – Southern Produce Ltd  
Nina Hill – Zespri

Rob Silberbauer – BBNZ  
Toni Baker – New Zealand Gourmet Ltd  
Tony Ponder – Southern Produce Ltd / HEC  
Simon Hegarty – HEA  
Stephen Ogden – Market Access Solutionz Ltd  
Michelle Glogau – PMAC, Secretariat

#### *MPI:*

Eileen Nowland-Walker – Team Manager, Horticulture Exports  
Hamish Campbell – Senior Adviser, Plant Exports  
Henry Pak – Senior Adviser, Plant Exports  
Juan Rosales – Senior Adviser, Plant Exports  
Mariela Llano Mamani – Adviser, Plant Exports

### Fruit Fly Contingency Working Group

Shane Olsen – Manager, Plant Exports, MPI, Chair  
Anna Rathe – Horticulture New Zealand  
Brad Siebert – NZ Avocado  
Danielle Adsett – NZAPI  
Ryan McCall – Zespri  
Stephen Ogden – Market Access Solutionz Ltd  
Michelle Glogau – PMAC, Secretariat  
*MPI:*  
Adam Frew – Senior Adviser, Market Access  
Chad Tustin – Manager, Market Access

Dave Nendick – Manager, Treatments  
Eileen Nowland-Walker – Team Manager, Horticulture Exports  
Elodie Urlacher – Senior Adviser, Treatments  
Jessica Devitt – Senior Adviser, Treatments  
Karen Pugh – Team Manager, Horticulture Imports  
Mariela Llano Mamani – Adviser, Plant Exports  
Mathew Woods – Senior Adviser, Plant Exports  
Mike Ormsby – Manager, Plant Risk Analysis  
Samra Rizvi – Adviser, Plant Exports



### **Strengthening Phytosanitary Assurances Working Group**

Marion Castle – Manager, Plant, Wine and Organic Assurance, MPI, Chair  
Anna Rathe – Horticulture New Zealand  
Danielle Adsett – NZAPI  
Ian Turk – Persimmon Industry Council  
James Kuperus – Onions NZ  
Jane Cuming – Wood Processors and Manufacturers Association of NZ (WPMA)  
Katie Kim – Ava Timber  
Lesly Van Nijlen – Zespri  
Max Ciccioni – The AgriChain Centre  
Paul Turner – NZPPI  
Paul Norris – IVS  
Paul Welch – Scales Logistics  
Ryan McCall – Zespri  
Michelle Glogau – PMAC, Secretariat

*MPI:*  
Chris Baring – Senior Adviser, Plant Assurance  
Chad Tustin – Manager, Market Access  
Damian Clarke – Senior Adviser, Plant Assurance  
Eileen Nowland-Walker – Team Manager, Horticulture Exports  
Jed Johnson – National Manager, Technical & Calibration, Verification Services  
Kirstie Fraser – Team Manager, Certification  
Mariela Llano Mamani – Adviser, Plant Exports  
Monica Martinez-Sanchez – Market Access Counsellor  
Olinda Domingo – Team Leader, Certification Audit  
Shane Olsen – Manager, Plant Exports  
Vicky Sekona – Senior Adviser, Plant Assurance  
Vivian Campbell – Team Manager, Plant Assurance  
Vuyisile Mpofu – Senior Advisor, Plant, Wine and Organic Assurance  
Wendy Sarjeant – Systems Auditor, Systems Audit Team

### **Fresh Produce Food Safety Assurance Framework Working Group**

Marion Castle – Manager, Plant, Wine and Organic Assurance, MPI, Chair  
Danielle Adsett – NZAPI  
Damien Farrelly – NZGAP  
Glenys Parton – NZ Avocado  
James Kuperus – Onions NZ  
Melanie Dingle – NZGAP  
Peter Ensor – Citrus NZ  
Phil Thompson – Zespri  
Philippa McVeagh – NZAPI  
Ronel Arnold – SGS  
Simon Hegarty – HEA  
Michelle Glogau – PMAC, Secretariat

*MPI:*  
Chris Hewins – Principal Advisor, Regulatory Delivery  
Chad Tustin – Manager, Market Access  
Eileen Nowland-Walker – Team Manager, Horticulture Exports  
Henry Pak – Senior Adviser, Plant Exports  
Malcolm Howard – Senior Adviser, Plant Assurance  
Shane Olsen – Manager, Plant Exports  
Sophie Geyrhofer – Senior Adviser Plant Exports  
Susanna Barris – Manager, Regulatory Development  
Ursula Egan – Market Access Counsellor  
Vivian Campbell – Team Manager, Plant Assurance

### **Indonesia Fresh Food of Plant Origin Food Safety Working Group**

Marion Castle – Manager, Plant, Wine and Organic Assurance, MPI, Chair  
Anton Masutti – Blueberries NZ  
Danielle Adsett – NZAPI  
Kate Hellstrom – Summerfruit NZ  
Glenys Parton – NZ Avocado  
Ian Turk – Persimmon Industry Council  
James Kuperus – Onions NZ  
Kazi Talaska – Onions NZ  
Peter Ensor – Citrus NZ  
Phil Thompson – Zespri  
Philippa McVeagh – NZAPI

Richard Palmer – Process Vegetables NZ  
Michelle Glogau – PMAC, Secretariat  
*MPI:*  
Eileen Nowland-Walker – Team Manager, Horticulture Exports  
Malcolm Howard – Senior Adviser, Plant Assurance  
Serena Hoy – Specialist Adviser, Market Access  
Sophie Geyrhofer – Senior Adviser, Plant Exports  
Stephen Collier – Acting Manager Chemical & Microbiological Assurance  
Vivian Campbell – Team Manager, Plant Assurance

# PLANT PRODUCT EXPORT STATISTICS

## PLANT PRODUCT EXPORTS

Although the overall outlook for horticultural and arable exports was positive over the past year with an estimated 2% growth, this was essentially due to a large wine vintage. The picture was less rosy for non-wine plant products with exports of plant products (represented in PMAC) anticipated to decrease by 9% compared to the previous year (see Fig 1). As already mentioned, this was expected due to the impact of the adverse weather events on production of key export sectors. Exports continue to be dominated by kiwifruit (52% of plant products export revenue) and apples and pears (18% of plant products export revenues) (See Fig 2.)

Exports are expected to bounce back for kiwifruit in 2024, however the recovery of apple and pear production affected by Cyclone Gabrielle will take much longer and export revenue is likely to remain relatively static for the next few years.

Fig 1. Export revenue for plant products represented in PMAC over the period 2018-2023\*

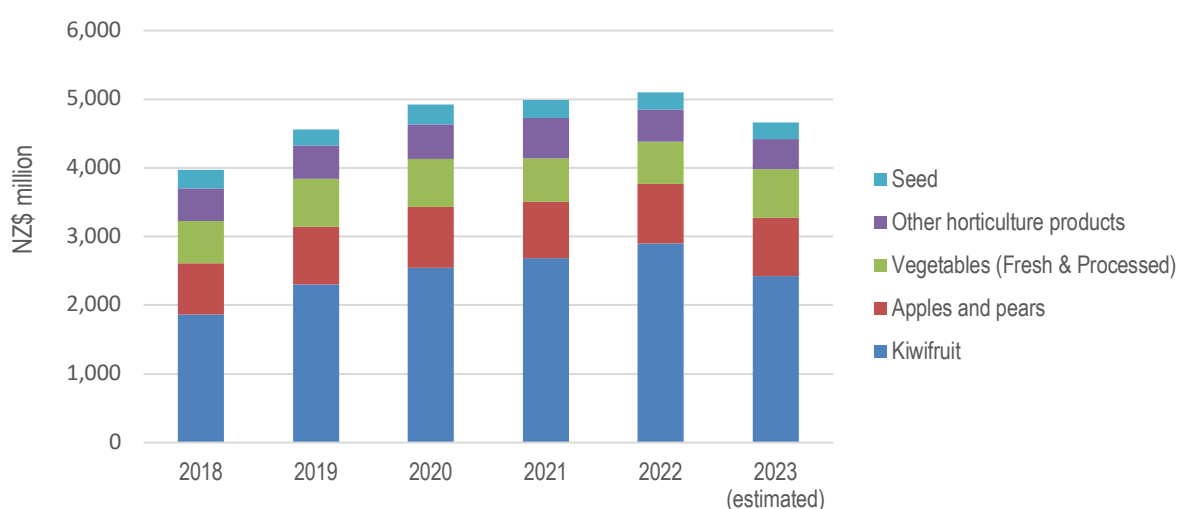
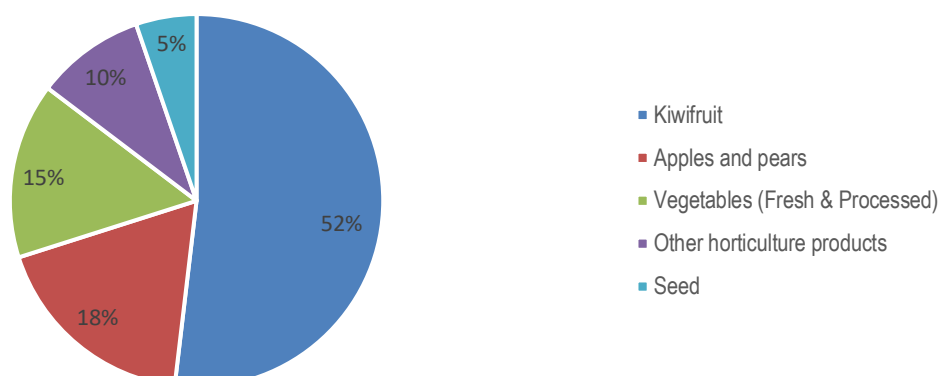


Fig 2. Export revenue for plant product categories as a percentage of total plant product export revenue for 2022-23 year.\*



## PHYTOSANITARY CERTIFICATES ISSUED

A phytosanitary certificate (phytocert) is a requirement by many importing countries to provide an assurance that the country's phytosanitary requirements have been met. Phytosanitary certificates requested by the exporter or their agent for an export consignment are issued by MPI using ePhyto.

The number of phytosanitary requested over the past year declined by 7% over the previous year following the pattern of the previous two years (see Fig 3). However, unlike in previous years, the decline over the past year reflected the reduced production and exports mentioned above.

The majority of the phytocerts issued are for food products, with the greatest number being issued for pipfruit and kiwifruit (see Fig 4).

A decline in number of phytocerts requested has a direct impact on the funds available to support the export programme. The impact of this is discussed in more detail on page 16.

Fig 3 Phytosanitary certificates issued over time

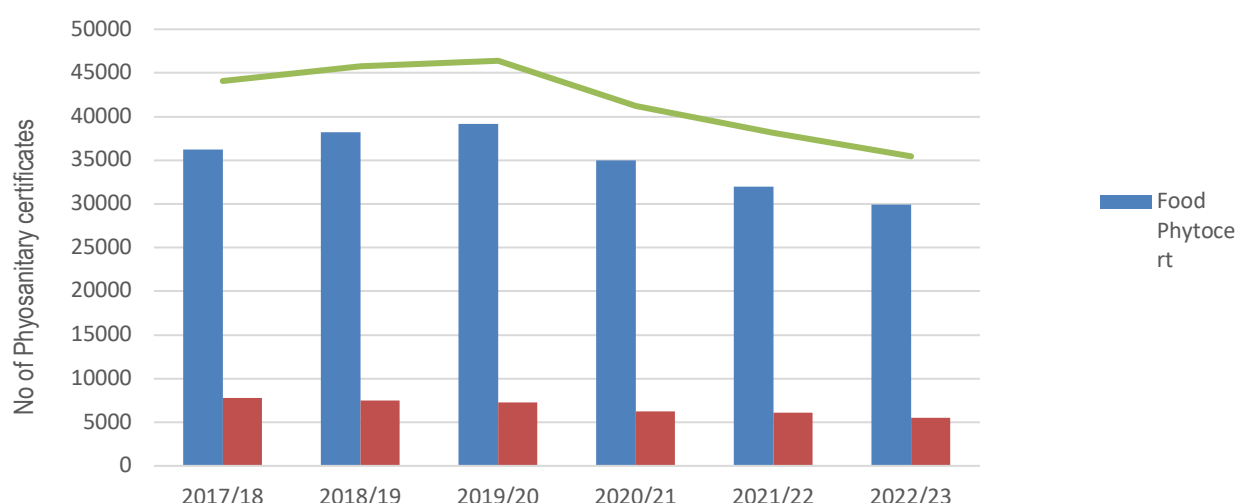
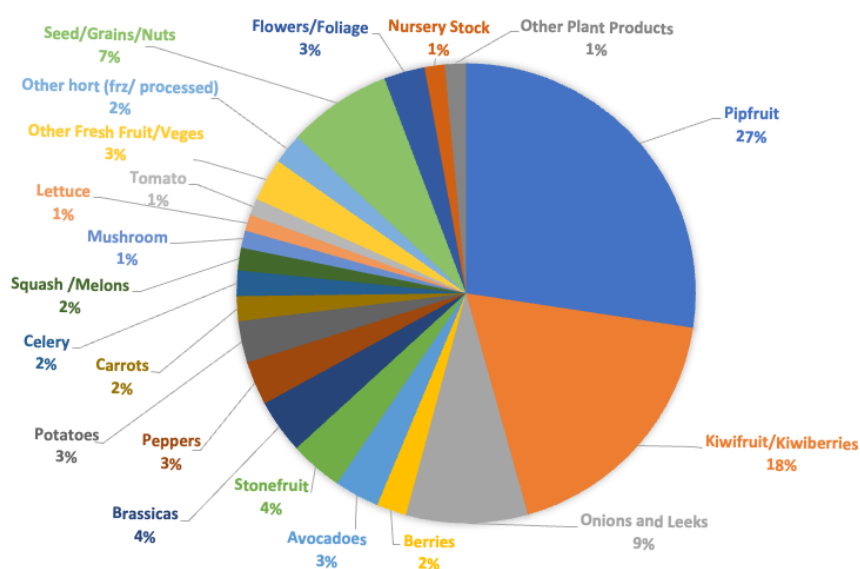


Fig 4: Phytosanitary certificates issued by product in 2022-23 as a percentage of total. (Note: data is indicative.)



## PMAC Activities

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A key role of PMAC is to agree strategies, discuss and prioritise market access activities undertaken by MPI and MFAT. PMAC members also provide input into the use of funds and cost recovered from industry, to fund activities and projects that support plant exports and international access. PMAC also acts as a forum for sharing new developments and issues that impact the sector.

Over the past year, the PMAC Executive Council met regularly to be updated on, and provide input into the MPI Phytosanitary Cost Recovery Fund work programme and budget. The council also considered new developments and emerging areas that could impact on plant product exports. PMAC members also actively contributed to working groups.

Key projects and developments are outlined below.

### **MPI MODERNISING OUR EXPORT LEGISLATION PROJECT**

The Modern Export Legislation project is part of the Government's food and fibre sector roadmap, *Fit for a Better World* – accelerating our economic potential. It involves a strategic review of MPI's approach to regulating exports of food and fibre sector products to ensure the right frameworks are in place to support export businesses in a dynamic trading environment.

In 2022 MPI published a discussion paper "Modernising our export assurance systems: legislative options" with four options on how the export assurance regulatory system could be improved. These included the status quo and three legislative options. Over the past year PMAC has facilitated discussion and input into the proposal through MPI briefings and updates to the executive council. There has been a range of views around the PMAC table and discussions will continue over the coming year with the next steps to the project being further industry consultation on the proposal.

### **MPI PHYTOSANITARY CERTIFICATE FEE REVIEW**

A comprehensive review of the phytosanitary fees and cost recovery fund by MPI got underway in the past year. This had originally been scheduled to take place in 2021 but was delayed due to other priorities. The outcome of the review and proposed increases to phytosanitary certificate fees is expected in the second half of 2023.

Phytosanitary certificate fees have not changed since June 2015 when it was recommended by the PMAC Executive Council to apply a 10% discount to fees to offset the substantial credit in the memorandum account. In recent years, a decline in the number of certificates issued and increases in the MPI work programme to support exports has resulted in a growing deficit in the Cost Recovery Fund memorandum account. An increase to the phytosanitary fee is inevitable and was proposed by the Council in 2021 when the memorandum account approached zero. However, the increase was not progressed as an MPI review was scheduled to take place.

PMAC will be actively working with MPI's Cost Recovery Team over the coming months to discuss the recommended increases to the phytosanitary certificate fees and options for how this might be structured in terms of the implementation period and to reflect the size/ value of the export consignment.

## **MPI FUTURE OF CERTIFICATION PROJECT**

The MPI Future of Certification programme will replace and modernise New Zealand's electronic certification system for exporting. A new single system will be developed to replace ePhyto and Tahora as well the other certifications systems currently providing animal product, wine and other assurances.

Over the past year, PMAC has participated in workshops and met with the programme team to discuss how PMAC can best participate and provide input as the new system is developed. The project is now moving into build and delivery phases and transition of ePhyto is scheduled for 2024. It will be critical for PMAC and its members to be engaging in this project over the coming year to ensure it meets the needs of our exporters.

This project has linkages to the PMAC-MPI Strengthening Phytosanitary Assurances Programme and PMAC-MPI Fresh Produce Food Safety Assurance Framework.

## **PMAC-MPI STRENGTHENING PHYTOSANITARY ASSURANCES PROGRAMME**

This programme builds on NZ's reputation for compliant produce.

A key focus for this programme over the past year was the delivery of MPI issuance of phytosanitary certificates. This required a change to the ePhyto system, training of the MPI certificate team, communicating the change to ePhyto users and transitioning to the new system at the start of the season (February 2023). MPI and Industry reported that the changeover happened without a glitch and although there is always room for improvement, we were pleased to participate in a lesson's learned process after the implementation. This provided the opportunity to reflect on the delivery of the project and identify improvements for future projects.

The focus for the next year will be on reviewing and updating MPI standards – Certification Standard: IVA requirements, and Technical Standard: Certification Mark for Wood Packaging.

This programme also has linkages to the Future of Certification Project

*Working group: PMAC-MPI Strengthening Phytosanitary Assurances*

## **PMAC-MPI FRESH PRODUCE FOOD SAFETY ASSURANCE PROGRAMME**

### **Fresh Produce Food Safety Assurance Framework**

The focus of this project is to develop a fresh produce food safety assurance framework to support plant product exports when and if an overseas market requires this assurance. With increasing focus by overseas governments on ensuring safe food for their populations, importing countries are moving to strengthen their requirements for imports to demonstrate they are compliant. This project will enable the sector to be better able to respond to such requests and avoid the proliferation of market-specific food safety assurance programmes.

This project was initiated in 2015 but made limited progress. In late 2022, the project went through a reset and PMAC reaffirmed support for the project and its objectives in November 2022. With this in place, the working group has been keen to progress the project, leveraging a shared understanding of existing systems both in NZ and overseas, and making informed decisions on options for a framework. An action plan has been developed setting out agreed deliverables and timeframes, and the project is expected to make solid progress over the next year.

This project also has links to the Indonesia Fresh Food of Plant Origin Food Safety Project and the Modern Export Legislation Project.

*Working Group: PMAC-MPI Fresh Produce Food Safety Assurance*

### **Indonesia Fresh Food of Plant Origin Food Safety Monitoring Programme**

This project is to establish and implement a fresh produce food safety monitoring programme to meet the requirements of the Indonesia/NZ Country Recognition Agreement (CRA). The CRA provides benefits for exporters including preferential access and removes the requirement for additional testing in market. As part of the agreement, MPI reports on the food safety tests carried out on horticulture products exported to Indonesia under the programme. Over the past year, the working group have been providing input into proposed refinements to the current arrangements, including leveraging existing industry and government testing, which will form the basis for the monitoring programme for Indonesia in the coming years.

*Working Group: PMAC-MPI Indonesia Fresh Food of Plant Origin Food Safety*

## **MARKET ACCESS PROJECTS**

### **Refinement of the Market Access Prioritisation Process**

Market access requests for plant commodities takes considerable time and resources to complete involving the preparation of technical packages and having the technical capability and financial resources to support the application once it's underway. In some cases, requests can be waiting in the queue for several years before a formal request can be submitted to the importing country's authority as they may only accept and progress one new access request at a time. By the time the request is considered, circumstances may have changed and the commodity group is no longer be interested in the market or it presents a more valuable opportunity for another commodity.

To address these types of situations and maximise market access opportunities for plant products, MPI Market Access team proposed refinements to the prioritisation process piloted in 2021-22. The PMAC council was used as a forum to test the proposed changes and provided a range of perspectives on the revised process. With PMAC feedback and further refinement, the market access team now have a revised process which provides a consistent and transparent approach to assessing requests for market access. It also provides more clarity to applicants on what's involved, expected timelines and guidance to enable a better informed decision on whether to invest resources and time in pursuing a market access opportunity.

### **PMAC- MPI Australian Border Project**

This working group focuses on ways to improve access for New Zealand produce to Australia, a key market for a number of horticulture products, and one that has become increasingly uncertain for some exporters. The group meet several times over the year to discuss issues relating exports to Australia, review biosecurity results and to revisit a number of project areas that had previously been identified as potential work streams. The group identified pest-risk rationalization and improved diagnostic tools as key focus areas to develop further into potential projects with a structured action plan. This will be progressed over the 2023-24 year.

*Working Group: PMAC-MPI Australian Border*

## Delivering on PMAC Goals

In 2022-23, PMAC achieved or partly achieved its five goals.

Table 1 PMAC 2021-26 Strategy: Goals, Measures and delivery status in 2022-23.

	PMAC's Goal	Measure	Delivery	Comment
1.	MPI's annual work plan, endorsed by PMAC, for the use of cost recovered funds, is delivered to agreed parameters.	The agreed PMAC work plan is achieved as demonstrated by the end of year financial report showing funds are spent to within 15% of the agreed budget.	Achieved	Annual expenditure associated with PMAC workplan within 8% of budget
2.	Plant product exports are supported by a world class efficient assurance system that supports the profitable export of high-quality commodities.	a) No overseas audits result in a suspension of trade for plant produce; and b) 99.9% of all phytosanitary certificates issued meet the phytosanitary requirements specified by overseas competent authorities.	Partly achieved	a) Achieved - no suspension of trade resulting from audits by overseas competent authorities occurred during the year b) 99.6% of all phytosanitary certificates issued met the phytosanitary requirements specified by overseas competent authorities
3.	Enduring market access for New Zealand plant products is achieved and where possible market access opportunities are enhanced.	Recognising the influence that the prioritisation process has on the Market Access Directorate's development of strategies for each market the measure for this goal is the timely completion of the annual market access prioritisation process within the agreed scope and timelines.	Partly achieved	Sectors have had their priorities recorded and ranked. A refined market access prioritisation process has been developed for implementation in the next financial year.
4.	Communication of PMAC activity is effective.	An annual survey of PMAC members acknowledges that communication between PMAC members and to stakeholders is working well.	Achieved	Member's overall satisfaction with PMAC's communication was rated 7.5 on a scale of 1-10 where 10 is the highest score and 1 is the lowest. A new communications survey was introduced which provides a baseline for future comparisons and helps to identify areas for improvement.
5.	Actively and proactively mitigating risks	Recognising that projects are primarily designed to mitigate risks the measure for this goal requires that PMAC projects meet their annual delivery targets	Partly achieved	PMAC projects are making progress. The addition of delivery targets to projects over the next year will provide better ability to measure this goal.



## Phytosanitary Certificate Cost Recovered Funds

Each year MPI undertakes a range of activities (including those highlighted on page 12) which are paid for by the funds cost recovered from plant product exporters. Funds to support this work are collected as part of the fee charged for phytosanitary certificates (phytocerts) provided to exporters.

Current fees for a phytocert are:

- **Non-food products:** \$25.63 (incl. GST). This includes phytocerts issued for flowers, foliage, nursery stock and seeds (arable, flower, vegetable and tree) and other plant products.
- **Food products:** \$39.63 (incl. GST). Phytocerts issued for fresh and frozen fruit and vegetables. Phytocerts for food products cost an additional 55% or \$14 per certificate to account for the funds spent to support MPI's food safety work for plant product exports.

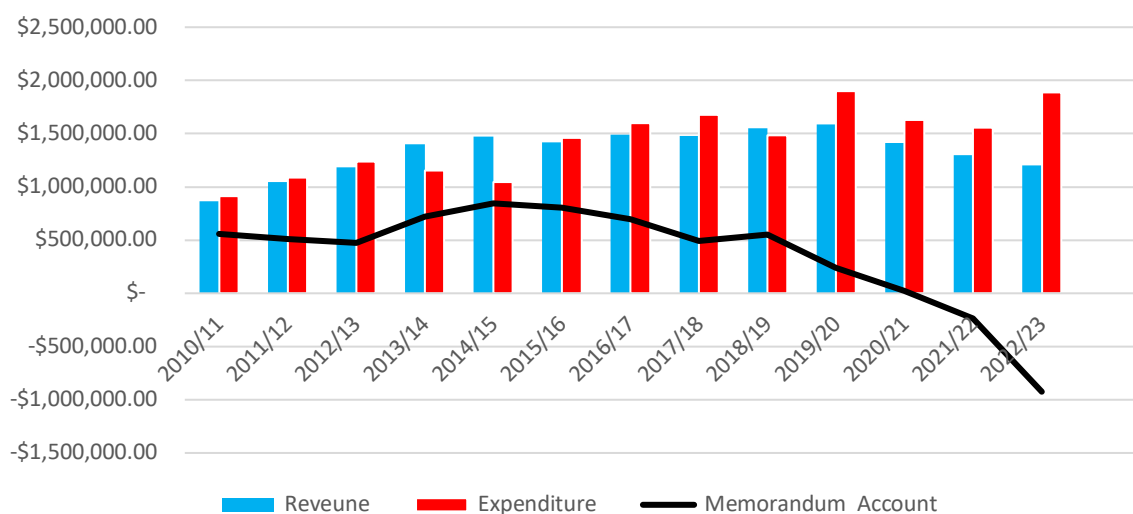
The fee for a phytocert has not changed since 01 August 2015 when a 10% discount was applied to all phytocert fees.

The collected funds (Cost Recovered Funds, CRF) from phytocerts are accounted for in a memorandum account. If they are not spent in the financial year, the funds can be carried over to the following financial year. Conversely where collected funds are insufficient to fund the required work the debt will be carried forward as a negative memorandum account balance. No penalties or interest are charged for a deficit account or paid on a surplus account.

The number of certificates requested by exporters decreased again in 2022-23 financial year, resulting in a 7% decrease in revenue. This is the third year that there has been a decline in the number of phytocertificates issued. However, unlike previous years, most of this decline was due to the lower production in the key export sectors (kiwifruit, apples, avocados and vegetables) which have been impacted by adverse weather events and which has also resulted in a 9% decrease in export value.

The combination of a decline in phytocert revenue but a continued increase in expenditure to support plant exports has resulted in the CRF memorandum accounts falling further into deficit (see Fig 5)

*Fig 5 Phytosanitary cost recovery fund revenue, expenditure and memorandum account balance over time.*



A deficit in the memorandum account had been anticipated when the PMAC Executive Council endorsed the 2022-23 work programme and budget. However, the combination of a significantly lower (14 %) than budgeted revenue from phytocerts, an increase in expenditure over budget (8 %), and a delay in the review and implementation of an increase in phytocert fees has resulted in a \$900K deficit in the memorandum account at year end.

An overview of the CRF income and expenditure for 2022-23 year is in Table 2 below.

*Table 2 Phytosanitary certificate cost recovery account income and expenditure*

Overview	2022/2023	2021/2022
Memorandum Account July 2021 balance	-\$235,708	\$23,641
Phytosanitary Certificate Fee Revenue	\$1,209,004	\$1,299,601
Total Expenditure	\$1,874,650	\$1,558,950
Memorandum Account offset	-\$665,646	-\$259,349
<b>Memorandum Account Jun 2023 balance</b>	<b>-\$901,354</b>	<b>-\$235,708</b>
High level Expenditure		
Market Access	\$712,223	\$629,205
Certification & Assurance systems	\$463,632	\$405,515
Stakeholder Management & Liaison	\$24,882	\$24,793
PMAC-MPI projects	\$271,127	\$166,614
PMAC office	\$200,588	\$138,372
Management and Business Support	\$202,198	\$194,451
<b>Total Expenditure</b>	<b>\$1,874,650</b>	<b>\$1,558,950</b>

The PMAC endorsed CRF budget work plan is delivered across three MPI directorates (see below).. While these groups are shown as having individual responsibilities, they are often required to work together to progress issues or projects. They are also required to work with other teams across MPI to access the most appropriate expertise for a holistic solution.

Market Access Directorate within the Policy and Trade Branch	
Director Steve Ainsworth	<ul style="list-style-type: none"> <li>Leads responses to significant trade issues.</li> <li>Leads negotiation and prioritisation of market access requests</li> <li>Market specific counsellors work closely with Plant Exports to respond to sector specific issues raised by key market.</li> <li>Key staff for PMAC: Chad Tustin, Manager Market Access</li> </ul>

Animal & Plant Health Directorate within Biosecurity NZ	
Director Peter Thomson	<ul style="list-style-type: none"> <li>• Provides technical support to sectors to assist with exporting and developing market access requests.</li> <li>• Has Sector specific advisers who help sectors deal with the technical requirements of market access, including developing and maintaining Official Assurance Programmes (OAPs) where required.</li> <li>• Primarily responsible for technical plant exports and industry-specific issues.</li> <li>• Leads approval and management of MPI-approved organisations (MAOs) within the Plant Export Assurance system.</li> <li>• Key staff for PMAC: Shane Olsen, Manager, Plant Exports Eileen Nowland-Walker, Team Manager, Horticulture Exports Leads the Australian border and Fruit Fly Contingency projects Shane also has responsibility for CRF budgets across the three teams</li> </ul>
Assurance Directorate within New Zealand Food Safety	
Director Allan Kinsella	<ul style="list-style-type: none"> <li>• Develops and maintains the assurance systems</li> <li>• Responsible for the management and enhancement of ePhyto (and associated systems) and the provision of electronic phytocerts</li> <li>• Develops new assurances systems if required</li> <li>• Review and update MPI Plant Export standards</li> <li>• Leads authorisation and management of IVAs</li> <li>• System Audit Team provides system audits of the plants sector and provides technical experts for accreditation body audits of the IVAs</li> <li>• Key staff for PMAC: Marion Castle, Manager Plant, Wine and Organic Assurance. Vivian Campbell, Team Manager, Plant Assurance Leads the Strengthening Phytosanitary Assurances, Fresh Produce Food Safety Assurance Framework and Indonesia Fresh Food of Plant Origin Food Safety projects</li> </ul>

The urgency in completing the review and setting increased fees has been raised by the PMAC Executive Council a number of time since 2021; most recently when considering the 2023-24 CRF work programme and budget. In endorsing the 2023-24 budget, members expressed concern about the forecast level of the deficit in the memorandum account, but it was also noted the risks to industry if there is any reduction in activities that support market access.

A review is finally underway by MPI's Cost Recovery Team of the phytosanitary certificate fee and memorandum account expenditure. It is anticipated that new phytosanitary certificates fees will be proposed and implement in the 2023-24 year to enable the plant export programme to be supported and the CRF to return to a balanced level. PMAC will be working with Cost Recover team in the coming months to provide input into the recommended fees, and their implementation.

## PMAC Incorporated Financial Summary

The Plants Market Access Council Incorporated (PMAC Inc.) was established in 2002 as a legal entity to act as the peak body for the development and implementation of the strategy for New Zealand's market access and export assurance programs for all plants and plant products.

PMAC Inc's activities are funded through its membership fees.

PMAC finished the 2022-23 financial year with a \$6K loss. A loss was budgeted as a result of members agreeing to keep the fees at the same level as the previous year and using reserve funds to fund the costs of the Hawkes Bay fieldtrip during the year. PMAC's financial position continues to be sound and a membership review is planned for the 2023-24 year.

Statement of Financial Performance	2023	2022
Income		
Membership fees	\$9,080	9,691
Interest	\$184	23
Fieldtrip registrations	\$957	
Total Income	\$10,220	9,714
Expenses	\$16,227	10,203
Less Tax expense	\$19	2
Surplus/Deficit	<b>-\$6,026</b>	<b>-\$491</b>

Statement of financial position		
Assets		
Cash and Bank	\$9,531	\$17,815
Accounts receivable	\$2,576	\$293
GST Receivable	\$532	
Income Tax Receivable	\$13	\$2
Fixed assets	\$61	\$122
Total assets	\$12,713	\$18,233
Liabilities		
Creditors	\$1,440	\$624
GST Payable		\$309
Total Liabilities	\$1,440	\$933
<b>Net Assets</b>	<b>\$11,273</b>	<b>\$17,299</b>

Society Capital		
Retained earnings	\$11,273	\$17,299
<b>Total Society Capital</b>	<b>\$11,273</b>	<b>\$17,299</b>



PMAC, Hawke's Bay, May 2023

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