

**FIFTH MEETING OF THE JOINT (INDUSTRY/GOVERNMENT) WORKING GROUP ON SHARING RESPONSIBILITY AND COSTS OF ANIMAL DISEASE: 12 MAY 2006 – THE FARMERS CLUB, WHITEHALL COURT, LONDON**

Present

**Guests**

Gordon Hickman	SVS	Freda Scott-Park	BVA
Sue Eades	Defra	Peter Morris	NSA
Simon Harding	Defra	Richard Bennett	EIG

**Members**

Mike Segal	Joint Chair
Stewart Houston	Joint Chair
Peter Bradnock	BPC
David Dawson	Defra
Mark Williams	BEIC
Kevin Pearce	NFU
Mike Sheldon	NPA
Nafees Meah	Defra

**Secretariat**

Roger Walsh	Defra
Steve Chamberlain	Defra
Linda Colwill	Defra
Eunice Obeng	Defra
Eden Hannam	

**Observer**

David Pirnie	Rocket Science Ltd
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Robert Robinson      NBA

Agenda Item 1: Welcome and introductions

1. Apologies had been received from Peter Dawson (Dairy UK).
2. In welcoming members and guests to the fifth meeting Mike Segal introduced himself as the new Joint Chairman following Sonia's departure for new work within the Department. The previous meeting had been circulated electronically and agreement was reached that there were no additions or amendments required. Mike also reminded the group that there was an incomplete action from the previous meeting. He asked Nafees Meah to give a feedback on their meeting to Brussels on the 17 March 2006.
3. Nafees Meah reported back to the Group on the workshop Stewart Houston, Roger Walsh and himself attended in Brussels on the 17 March 2006. In the morning there was a series of presentations from Member States including: The Netherlands, Spain, Germany, France and Australia. However, only Germany, Netherlands and Australia had a true cost sharing arrangement in place.

The afternoon was used to debate on the working paper. Number of views were expressed and comments taken on board, but the most important issue of the day was the language used in the report. At the end of the workshop, Eric Marin said that Member States should go away and look at the recommendations. The next stage is to submit report by the end of June followed by Stakeholder meeting in November for consideration of the final

report to the Commission. There will be an action plan in Jan/Feb and written comments from participant will be circulated.

4. Stewart Houston added that the whole focus of the paper was how costs were shared. The message taken was that the paper needed to be adopted for sharing of costs.

5. In discussion the following points were raised:

- (a) explanation of what influence EU policy measures
- (b) would all Member States be asked to develop a system once everything is in place.
- (c) how engaged are we with the Devolves regarding cost sharing issues.
- (d) suggestion for Germany presentation to be translated

6. Mike Segal mentioned the draft paper from New Zealand. Stewart Houston explained that there is a lot of work done by New Zealand on sharing of cost than the UK. Richard Bennett thought the report was good and therefore could be adapted.

#### Agenda Item 2: Output from Workshop 4 April

7. David Pirnie reported on the workshop on 4 April. He informed the Group that the main objective of the exercise was to raise awareness, obtained some reaction and provide feedback for the Group to use in preparing their report. The main headlines were based on verbatim comments and that the mandate for the Group was to focus on the implementation of partnership. However, the main message was to build trust and share responsibility. One of the main differences of opinion between the Group and the output from the conference was on consequential loss which was mostly preferred by participants. Also, it would be important to learn from other countries but the Group should tailor their model towards the UK situation.

8. In discussion the following points were raised:

- (a) willingness to get it right and the hope that there is also the willingness from the government to work in partnership with industry;
- (b) to stop talking about cost sharing and talk about responsibility sharing;
- (c) social issues raised at the workshop should be looked at carefully and raised with the rest of the food chain;
- (d) the problem of getting industry engaged;

- (e) to concentrate on who are the beneficiaries;
- (f) to drive the policy is a two speed process – thus confidence of the government and industry;
- (g) need to look at FMD outbreak in 2001 and see how industry could be engaged

9. The most important issue now is to have a written paper indicating how the Group has progressed. If this would be done Group members could convince their respective membership why they signed up to the paper.

Agenda Item 3: Incentivising biosecurity – Workshop session (Doc JIGWG 45)

10. The Group was divided into two groups to discuss the issues that were presented on the work sheets. Following the individual discussion sessions the groups reconvened to discuss their findings. The Group found the breakout sessions very valuable and their findings were discussed briefly in an open forum. It was decided that as the worksheets contain valuable information that these be collected and the Secretariat would collate a response document. Mike Segal asked the Group to forward their views to the secretariat.

Action: Group members should email the Secretariat their findings on the worksheet.

Agenda Item 4: Emergency preparedness Contingency Planning (Doc. JIGWG 42)

11. Gordon Hickman gave a presentation on the emergency preparedness Contingency plan. He said the plan was for emergency outbreak of animal diseases and it involves the Government, the VLA, and other Government Departments. The operational partners included: LACORS, the GOs, FSA, the police. In discussion the following points were raised:

- (a) where the Group can be fitted in the structure;
- (b) the need to take into account the structure of the Group's policy bearing in mind what it is intended to achieve;
- (c) the need for policy to be available and most work need to be done prior to any problem;
- (d) the need for local people's inside information and not just to do the operation from afar. Appropriate representation from the sector during disease outbreak;
- (e) ability to devise policies for the problem/issues of local areas;

- (f) the need to learn from the last outbreak;
- (g) speed of the essence - need people who can make decisions
- (h) need trust between local and national involvement

**Action:** The secretariat to send the web link and copies of the presentation to members.

Agenda Item 5: Sharing Responsibilities (Doc JIGWG 43)

12. Sue Eades talked about the concept of sharing responsibilities in terms of a disease outbreak. Currently, this is done by the Government, the Devolved Administrations and also bodies that can oversee these arrangements. In discussion the following points were noted:

- (a) how ultimate responsibility could be managed and shared with Ministers;
- (b) how far is the partnership going bearing in mind EU dimension. Defra colleagues currently negotiate in Brussels and not the shared team;
- (c) Defra negotiation position could be enhanced if carried out in partnership with other representative organisations;
- (d) European Union governments do take Agriculture experts to Mancom meetings and ministers to take Industry representative to Agricultural Council.

13. Mike Segal explained that Ministers are accountable to parliament. Anything that involved legislation need to be read by the Minister. However, they do delegate responsibility to industry such as the HSE, FSA and HSC to mention a few.

14. There is the need for the Group to get the right framework. Fundamental decisions have to be made as to whether sharing cost should be for endemic or exotic diseases bearing in mind that either way there would be a variation in cost. It was felt that cost sharing should apply to both types of diseases.

Optimistic that this can be done in time. Although the report will have recommendations, it would rather state if there are differences or unfinished areas. It was felt that Group must press on if we want to be able to influence the EU process. We considered the options of the Group taking forward discussions if it so wanted after the report is published.

Agenda Item 6: The economics of risk management in exotic animal disease (JIGWG 44)

15. Simon Harding talked about the concept on the economics of risk management in animal disease. In discussion the following points were raised:

- (a) the need for scale by sector to be accurate;
- (b) direct cost contribution should include all costs and must be a fair indication of the Industry's costs;
- (c) Indirect costs were difficult to handle and industry needed to know that this had been recognised, if not necessarily included;
- (d) there should be no differentiation between direct and indirect costs – there could be a risk of transfer if differently treated;
- (e) the Group could be strong enough to contact Insurers directly about Consequential Loss Insurance (CLI). Better still if a framework is established the Insurers could be more interested;
- (f) there could be problems with perverse incentives and compensation;
- (g) farmers must bear some of their own business risk eg farm B+B
- (h) when apportioning costs there must be a handle on all costs
- (i) sectors may see a levy as an additional tax if they have good biosecurity ;
- (j) sector ring-fencing of funds is important
- (k) up-front money for mainly ongoing costs, particularly to reduce risk;
- (l) costs of collecting an up-front levy could be expensive. However, a levy that is both up-front and retrospective could be a useful way forward.
- (m) aim to reducing risks and promoting incentives

Agenda Item 7: Skeleton of report – workshop session (JIGWG 41)

16. Again the Group was split into two to find out ways the report should be written. David Pirnie provided the Group with some thoughts, which might help them to formulate the structure of the report. There was a discussion around the table about what should be in the report. It was agreed that the report should contain the following:

- (a) where the Group has reached

- (b) issues discussed and
- (c) ways to adopt these issues further.

**Action:** Roger Walsh to draft the report to be discussed at the next meeting.

Agenda Item 8: Any Other Business

18. Mike Segal informed the Group that the next meeting would be held on the 26 May.

**JIGWG SECRETARIAT  
MAY 2006**