

How the Board responds to a biosecurity crisis

Every Board must consider risk to their business, the impact it will have and how to mitigate it. But what happens when a risk has not been identified as significant and it hits? Biosecurity events have blindsided businesses over the years and the threats to our primary industries, flora and fauna are increasing. These threats impact primary producers as well as their suppliers and customers.

How Boards can prepare for and react to crises of this nature was discussed recently at a Bay of Plenty Institute of Directors (IOD) panel event, specially put together to talk about biosecurity and why it is considered the number one risk to one of the largest sectors of our economy.

Facilitated by Graeme Marshall, Chairman of the Biosecurity Ministerial Advisory Committee and KVH Director, the theme for the evening was around asking business leaders and Governance members in the room 'do you know exactly how your business would respond to the next big biosecurity incursion and will you be able to make robust and quick decisions?'



On the discussion panel was John Loughlin, who as Chairman of Zespri when Psa hit the kiwifruit industry (and now Chair of the Meat Industry Association dealing with *Mycoplama bovis*) said there are a broad range of potential biosecurity incursions and some are better understood than others, which is why preparation is key.

"You can't predict what kind of incursion you'll get so there is no stock-standard response. You have to have contingency plans, so you can be sure your organisation is ready – and has the capacity - to deal with whatever may come your way."

"As a Director or chief decision maker during a biosecurity response you may have very little information to work from and the situation will be changing rapidly as more infected sites or locations of unwanted pests are found. Regardless, you must be decisive, support your executives, and make brave decisions based on the best information available to you at the time because doing nothing is simply not an option."

"This is where relationships become so important. Working with industry biosecurity organisations and government is always the best option. The better you work together during normal business the smoother things will run in a response."

The same key points were echoed by Ian Proudfoot, Global Head of Agribusiness for KPMG New Zealand, who discussed his perspective on the huge potential for growth in agribusiness in this country and how that could be heavily affected by a biosecurity incursion if not appropriately managed.

"New Zealand is unique in that we rely so heavily on what we grow and sell, and by the sheer magnitude of contribution the primary sector makes to our economy. Biosecurity comes out as the

highest priority risk with the leaders we survey so therefore it should always be a feature of boardroom conversations.”

“An incursion will close or permanently change the markets we sell to and have massive, wide-ranging societal impacts. Think about biosecurity risk in terms of how it connects to other business risks – because of the breadth of potential impacts you can’t silo it.”

“The keys to being a biosecure organisation are to use what you know, including hard data and the expertise from biosecurity organisations, to build contingency plans. Test them, and test them often, so people know what to do the second that phone call comes through.”

“Work collaboratively. Stay in regular contact with industry groups and government to help make informed decisions. That way everyone can move forward together as one, aiming for a successful response outcome.”

Overall says Graeme, the audience had a practical lesson on good governance from leaders who have experienced major biosecurity incursions and know that it’s important to be ready from day one; to activate response or business continuity mechanisms immediately; and demonstrate leadership.

“Our hope is that attendees have left the event knowing more about biosecurity and what the ramifications of biosecurity risk could be to their business. It’s about understanding what can be done to manage that risk and tell the biosecurity story in their own boardrooms. It could be as simple as integrating biosecurity into a workplace risk register, connecting with local biosecurity personnel or organisations to keep up-to-date with current risk and see how it is changing month by month, or even running a pest of the month awareness initiative to increase knowledge about potential business and social impacts.”

The Bay of Plenty IOD panel event was a first for the region, and organisers will now look to expand the presentation to other interested IOD branches, with the aim of raising biosecurity awareness in the boardroom and building a national team committed to managing the threat posed by unwanted, exotic pests and diseases.