OSPRI

Annual Report

2023–2024

Annual Report 2023–2024

OSPRI New Zealand Limited was established on 1 July 2013. It currently manages the National Animal Identification and Tracing (NAIT) and TBfree programmes. It delivers the operational functions of the *M. bovis* programme on behalf of the Ministry for Primary Industries.

This is the Annual Report for OSPRI New Zealand Limited and its wholly owned subsidiaries National Animal Identification and Tracing (NAIT) Limited, TBfree New Zealand Limited, and *M. bovis* Free New Zealand Limited.

The TBfree New Zealand Limited Annual Report provides a review and report on the Operational Plan for the National Bovine Tuberculosis Pest Management Plan, as required under section 100B(1)(b) and section 100B(2)(a) of the Biosecurity Act 1993.

The National Animal Identification and Tracing (NAIT) Limited Annual Report provides a review and report on how the NAIT organisation is addressing the Government's expectations of it, the performance of its functions and duties, and its financial statements, as required under sections 10A(1)-(2) and 63 of the National Animal Identification and Tracing Act 2012.

NAIT TBfree

OSPRI New Zealand Limited's shareholders and funders:

DairyNZ beef+lamb new zealand Deer Industry New Zealand Ministry for Primary Industries Manatū Ahu Matua

OSPRI New Zealand Limited's Stakeholders' Council consists of representatives from:

Beef+Lamb New Zealand

Dairy Companies Association of New Zealand

DairyNZ

Deer Industry New Zealand

Department of Conservation

Federated Farmers Dairy

Federated Farmers Meat and Wool

Local Government New Zealand

Meat Industry Association New Zealand

Ministry for Primary Industries

New Zealand Deer Farmers Association

New Zealand Stock and Station Agents Association

Predator Free 2050

Road Transport Forum

Contents

Chair and CE report

The successful transition of the *Mycoplasma bovis (M. bovis)* programme from the Ministry for Primary Industries (MPI) to OSPRI in November 2023, and ongoing progress in our TBfree and NAIT programmes have been key achievements this year.

However, the failure of the expected delivery of MyOSPRI, the replacement for NAIT, has been a significant disappointment. In particular, an independent review has indicated that what has been built over the last few years will not be fit for purpose. This will not only delay the replacement of NAIT but has required a significant asset write-down. The OSPRI Board and management have taken immediate action to right this situation. Though this does not put at risk delivery of our core programmes, it does delay the improved user experience for farmers and some of the data integration benefits that OSPRI was looking forward to.

M. bovis transition

We congratulate the teams within MPI and OSPRI who delivered the successful transition of the *M. bovis* operational programme on 1 November 2023.

The OSPRI team took over one active confirmed property and another was detected in the months after the transition. Both properties have been managed through the clearance process and at year end there were zero active confirmed properties.

With spring historically being the time most likely to find new infection, OSPRI is fully focused on delivering comprehensive surveillance programmes through bulk milk, on-farm and processing works testing. Should the 2024 spring pass infection free then the focus will shift to surveillance to prove freedom.

TBfree

For the second year in a row, the year end result was the lowest ever TB infected herd number. Hari Hari has been cleared of infection and Hawke's Bay is almost at that point too. However, there have been more breakdowns in the central North Island and Otago, with control plans being developed and delivered to get on top of the infection there.

Our focus on partnerships, particularly with Māori in the Central North Island, continues to evolve, enabling iwi-owned businesses to undertake ground control on their whenua and bringing biodiversity and TBfree programme benefits through pest control.

Other key work that started this year has been:

- the 10-year review of the TB National Pest Management Plan
- the replacement of our current TB testing provider following AsureQuality exiting this service, with a new provider needing to be in place in mid 2025.

NAIT

Supporting farmers and other stakeholders with NAIT has been a key focus. Our regional teams have introduced drop-in sessions and workshops to improve assistance to NAIT users.
Our Support Centre has continued to provide online and phone support. We are seeing constant improvement in NAIT data reflecting farmers' commitment to "getting it right". A pleasing aspect of *M. bovis* coming into OSPRI has been the greater data integration with NAIT – delivering benefits to both programmes.

As noted above, replacing the current NAIT system with more useable technology is a priority and we've appreciated the significant farmer input into designing the front end. Despite the significant development set-back, OSPRI remains committed to delivering a user friendly, cost effective replacement

MyOSPRI

In 2019, OSPRI initiated the Information Systems Strategic Plan (ISSP) programme of work to upgrade ageing and obsolete technology and develop an integrated animal disease management and traceability system required to better deliver our strategy. The replacement of the NAIT Information System with MyOSPRI was included in the programme scope.

Dr Paul Reynolds
Chair

Sam McIvor
Chief Executive Officer

Since its inception, the programme has delivered benefits, including:

- a new finance system
- migration to cloud-based data management systems
- telephony and network upgrades
- an electronic solution for Animal Status Declarations
- a new disease management system (OOMS) with functionality delivered for the TBfree programme.

Given the scale, complexity, and transformational nature of the ISSP programme of work, the OSPRI Board has regularly commissioned independent reviews and appointed assurance functions as part of internal governance controls.

During 2023, the Board, management and shareholders became increasingly concerned at the delays and escalating costs associated with the delivery of the NAIT replacement. With shareholders' and funders' prompting, an independent review was commissioned.

The Board received the report in July 2024, accepted the recommendations and immediately moved to implement them. This resulted in a cessation of the current build based on the review findings that the solution is overly complex for OSPRI's requirements and would be unnecessarily costly to run, maintain, or modify.

Disappointingly this finding has resulted in a significant write down of IT assets on our balance sheet. Against this backdrop the organisation has narrowed its immediate focus to the reconsideration of the architecture to deliver the NAIT replacement.

People

OSPRI continues to attract highly competent people, committed to making a difference for the primary sector. We welcomed 38 people into OSPRI as part of the *M. bovis* transition and we've been delighted with the impact and synergies that has delivered for the organisation.

We thank Steve Stuart, Chief Executive Officer since March 2019, who left in May 2024. Steve oversaw strong efforts to improve stakeholder engagement including the introduction of a regional model which has brought farmers and OSPRI closer together.

The Board looks forward to further improvements in delivery under our new CEO, Sam McIvor, and thanks Simon Andrew, who very capably filled the CEO role in the two months between Steve leaving and Sam commencing.

The Board thanks Barry Harris, who stepped down as Board Chair in November 2023 after nine years on the Board. We also thank Fenton Wilson for his ten plus years' service to OSPRI, first on the Stakeholders' Council and then on the Board, and James Parsons for his near seven years' service on the Board. Both Fenton and James have brought a farmer's perspective to the boardroom.

The upcoming year is a busy one for the organisation including the 10-year TB Plan review, delivery of the Board's next five-year strategic plan, NAIT's next triennial business case, development of the *M. bovis* National Operations Plan, and a new plan to replace the NAIT system.

The Board and management are fully committed to delivering on agreed KPIs across these programmes in the 2024/25 year.

Stakeholders' Council report

James Buwalda
Chair Stakeholders' Council

The main role of the Stakeholders' Council is to provide feedback on the Board's effectiveness and performance against its strategy, with the primary intention of assisting the Board to be better informed as it carries out its governance role.

This year, particularly with the dearth of information since February about the problems with the MyOSPRI project, we have advised the Board that OSPRI's performance is falling short of expectations, creating risk of stakeholder support falling. This is in spite of the smooth transition of the *M. bovis* programme to OSPRI, continued reduction of the TB infected herd number, and ongoing improvements to NAIT compliance.

Information Systems Solution Programme

Stakeholder organisations have long been concerned that timelines and deliverables for this major capital programme have changed significantly over the past couple of years.

It was pleasing to have OOMS, the disease management system replacement, launched this year. We also acknowledge the effort, in respect of the NAIT replacement (MyOSPRI), to focus on what farmers need and will value, and note the positive feedback received from 'test' farmers. However, there has been further delay on this project in past months while the independent technology review occurred. This uncertainty is frustrating for farmers and erodes stakeholder confidence in OSPRI's performance.

The Stakeholders' Council is interested in the review's recommendations on project governance, which was raised in an earlier assurance report. We believe that technology expertise / awareness may be a critical skills gap relevant to director recruitment in the second half of 2024.

It is important to get the technology programme back on track, with the remaining OOMS solutions (vector operations planning and *M. bovis* programme management) as well as MyOSPRI (NAIT) still to be delivered.

Finances

Allied to the unsustainable technology expenditure during the year, the Council has monitored and shared its concerns at:

- the limited headroom the organisation has to absorb/ address unexpected challenges, particularly as current funding agreements were negotiated before the recent period of relatively high inflation and associated cost pressures
- the limited capacity to keep investing capital in a major IT programme which is likely to sit at the heart of OSPRI's future operating model.

We have noted the improved position since February, due to slowing down the MyOSPRI burn rate and implementing cost saving measures, however we are concerned the financial pressures could interrupt the progress OSPRI has been making in its core programmes.

M. bovis transition

The successful transition of the *M. bovis* programme to OSPRI is a highlight of the year, particularly the recruitment of the *M. bovis* team. The Council is encouraged that there are currently no known infections, while acknowledging that surveillance will remain important.

TBfree programme

The Council has been keenly following the review of the TB National Pest Management Plan and looks forward to further engagement.

We are supportive of the general commitment to eradication because of the long term value, but note the challenges in meeting current programme targets. These include land access, the limitations of technology currently available, the costs of testing, and budget pressures affecting others working in the vector eradication area.

The review of the Plan provides a timely opportunity to reset this programme, with the revision of targets and definition of realistic goals that stakeholders can have confidence in. We believe there is much to be gained from a collaborative approach, which could help confirm complementary benefits and hence strengthen overall investment.

In respect of the programme, the recent clearances in Hari Hari and Hawke's Bay are encouraging, however the Council is concerned about the increase in cases in other areas.

NAIT

The Council acknowledges that farmer commitment to traceability and compliance with NAIT processes has improved, but we think it is important that OSPRI continues to build awareness of the value of a sound traceability system to further increase compliance.

The matters raised to the Board during the year include the lack of capability in the electronic version Animal Status Declaration for movements to and from saleyards, and our concerns about the long-term budget and funding for NAIT.

Strategy

The Council looks forward to active engagement and collaboration with shareholders, funders and the Board early in the 2025 financial year on the new OSPRI strategy.

Board succession

The Director Assessment Panel process to appoint new directors concluded in September, resulting in a recommendation for two new appointees to replace directors whose terms ended this year. Shareholders participated actively in this process, bringing perspectives informed by OSPRI's recent performance.

The Panel reviewed the skills matrix to focus our planning on the anticipated needs of the Board over the next 3-9 years.

Council expenditure and personnel

The Council spent $70,882 during FY2024, an underspend against budget of $20,718. This is due to not undertaking a director recruitment process for the last Annual Meeting, in November 2023.

Three meetings were held during FY2024, with one due in July 2024 just after the end of the financial year. These meetings were hybrid, with a mix of in-person and online attendees.

The Council has welcomed a number of new Councillors this year, and thank those who were the previous representatives for these stakeholders.

New members are:

- **Chris Lewis** representing DairyNZ from November 2023, previously held by Ian Brown
- **Emil Murphy** representing Deer Industry NZ from March 2024, previously held by Innes Moffat
- **Ben Reddiex** representing the Department of Conservation from February 2024, previously held by Marie Long
- **Sam Hain** representing Federated Farmers Meat & Wool from November 2023, previously held by William Beetham
- **Karl Dean** representing Federated Farmers Dairy from July 2023, previously held by Wayne Langford
- **Craig North** representing NZ Deer Farmers Association from December 2023, previously held by Justin Stevens.

The future of the Council

The recent Governance review has led to shareholders proposing changes to the OSPRI Constitution that include establishing a Stakeholder forum to meet with the Board at six monthly intervals to provide feedback on OSPRI's operations. Stakeholders are keen to establish an effective rapport with the Board, to ensure they can provide valued input and are currently developing guidelines to achieve this outcome. The Council's current roles related to oversight of the OSPRI Board and operating a Director Assessment Panel transfer to shareholders to be consistent with good ownership practice.

About OSPRI

OSPRI New Zealand Limited (OSPRI) is funded by levies from farmers via its shareholders – DairyNZ, Beef+Lamb New Zealand, Deer Industry New Zealand – and Government investment is made through the Ministry for Primary Industries.

OSPRI's purpose

OSPRI's ambition is to be the trusted partner of choice of Government and industry for the ongoing management of animal diseases in the primary sector. Our areas of expertise are animal health, disease management, livestock traceability and pest management.

Our Board of Directors

Dr Paul Reynolds QSO (Chair)
Committees:
Audit and Risk,
People and Culture,
ISSP

Susan Huria ONZM
Committees:
People and Culture,
ISSP

Nikki Davies-Colley
Committees:
Audit and Risk

Michael James
Committees:
Audit and Risk (Chair),
ISSP

James Parsons
Committees:
People and Culture,
Audit and Risk,
ISSP

Fenton Wilson
Committees:
People and Culture (Chair)

For full bios of our Board members visit:
www.ospri.co.nz/about-us/our-people/board-of-directors/

OSPRI is responsible for three national programmes

TBfree

The goal of the TBfree programme is biological eradication of bovine tuberculosis (TB) from New Zealand by 2055, with milestone targets of livestock TB freedom by 2026 and possum TB freedom by 2040.

NAIT

NAIT is New Zealand's national animal identification programme. It records where animals are in the supply chain, from farm to meat processing, for the purposes of managing animal health, disease outbreaks, food safety and biosecurity risks. The programme applies to farmed cattle and deer.

Mycoplasma bovis

From 1 November 2023, we have been delivering the day-to-day operational and disease control functions of the *M. bovis* programme under a service contract. It is expected that we will deliver the *M. bovis* programme under a National Pest Management Plan from early in 2025.

Our Leadership Team (at 30 June 2024)

Simon Andrew
Acting CE (27 May–31 July)
General Manager, Disease Control Planning and Integration

Mary Cording
General Manager, People

Clifton King
Head of Traceability

Angela Leong
Chief Operating Officer / Chief Financial Officer

Danny Templeman
General Manager, Service Delivery (South Island)

Helen Thoday
Acting General Manager, Disease Control Planning and Integration (May–July)**; General Manager, Service Delivery (North Island)**

Colin Philp
Acting Chief Information Officer (from March 2024)

For full bios of our Leadership Team members visit:
www.ospri.co.nz/about-us/our-people/executive-leadership-team

Strategic Plan 2019–2024

OSPRI's Strategic Plan 2019–2024 details the strategic outcomes, enablers for success and impacts that the organisation expects to deliver in that five-year period. See the full plan at www.ospri.co.nz/strategicplan

Our value

Farmers and markets can depend on us to provide assurance as to the health and status of animals

Our strategic outcomes

Disease Management

Animal diseases for which we have primary responsibility are managed to agreed outcomes

Traceability

There is full traceability of the animals within the National Animal Identification and Traceability scheme

Our critical enablers

- We have the culture, capability and capacity to deliver our programmes effectively and efficiently
- Our shareholders, stakeholders and funders agree that we understand their needs and expectations
- We have superior information management systems and technology to support the successful delivery of our strategy and programmes
- There is broad understanding and support of our programmes and the strategies we deploy to implement them

Our impact

- In the event of a disease incursion those who must manage the incursion have timely, accurate animal traceability information
- Those responsible for the management of animal health and disease have confidence in the traceability scheme and its performance
- Livestock are free of TB by 2026
- Possums are free of TB by 2040
- Other parties with a legitimate interest are able to verify the provenance of animal
- Stakeholders have trust and confidence in OSPRI and in the delivery of its programmes
- We are asked to take on responsibility for the management of other diseases

Our Objectives for 2023–2024

Our objectives	Our focus		
Reduce the number of TB infected herds in New Zealand	Reducing infected herd numbers in Hawke's Bay and Hari Hari	Collaborate and partner with farmers, landowners and Māori to support the TBfree Programme	Initiate 10-year review of the TB programme
Support farmers to embed good on-farm traceability practices	Educate farmers on the value of practicing good on-farm traceability	Deliver a NAIT system that is easy to use and fit for purpose	
Evolve OSPRI for the future	Implement integrated technology to deliver more efficient disease management and improved customer services	Plan for the transition of *M. bovis*	
Make OSPRI a great place to work	Invest in the capability of our people	Maintain our strong culture of health, safety and wellbeing in the workplace	

ISSP Update: Developments and Next Steps

This update covers developments from the close of the financial year through to September 2024.

OSPRI's plans to upgrade its technology and develop an integrated animal disease management and traceability system have faced significant challenges. The project has been paused while issues are addressed.

The OSPRI Board and management have extended their apologies to farmers and partner organisations. We acknowledge that the improvements have not been delivered in a timely manner and we regret not meeting the expectations of our stakeholders.

What is the ISSP?

In 2019, OSPRI began work towards delivering an integrated animal disease management and traceability system and initiated a programme of work called the Information Systems Strategic Plan (ISSP). The goal is to simplify data input for farmers and enhance data sharing across OSPRI programmes, improving overall efficiency.

MyOSPRI is a project within this programme of work that aims to deliver a customer portal through which customers can access electronic Animal Status Declarations (eASD) and in time, a NAIT replacement system.

ISSP Progress to Date

The ISSP has delivered a lot of functionality that is beneficial to OSPRI and to farmers. We have spent a significant amount of time on the front end of this project to ensure it is accessible and works for farmers and we've had really positive feedback from farmers about that.

We have delivered an electronic solution for the Animal Status Declaration (ASD) form, which facilitates online farm-to-farm and farm-to-meat processor ASDs, providing digital records that are essential for effective disease management tracing efforts.

We have replaced a vital disease management system (DMS) at OSPRI. We have also delivered multiple essential technology advancements for the OSPRI enterprise, such as a new finance solution and migration to cloud-based management services.

ISSP paused in February 2024 for independent review

In February 2024, OSPRI shareholders/funders Beef + Lamb NZ, DairyNZ and Deer Industry NZ requested an independent review of the work programme as some projects surpassed initial expectations of scope, costs, and timelines.

The review into the ISSP has found while the project delivered in some areas such as user interface and design, there were significant gaps across programme controls, architecture and programme governance and management.

The report recommended a remediation phase of 4-6 months to reassess the MyOSPRI architecture, prioritise delivery of the NAIT upgrade, address resource constraints, and ensure effective governance and stakeholder engagement.

Only once this remediation phase is complete, will OSPRI be able to deliver a programme plan that will confidently determine the time and cost to deliver the NAIT replacement.

OSPRI response to the review

OSPRI accepts the report's findings.

We are already implementing the recommendations from the review to get the programme back on track.

At the request of shareholders and funders, the OSPRI Board has also undertaken a range of improvements to strengthen OSPRI's governance, accountability and shareholder oversight. This includes an ISSP Board sub-committee with oversight from an independent Chair nominated by OSPRI shareholders.

A review of the MyOSPRI system architecture has found that the current architecture is overly complex, not fit for purpose, and will be costly to maintain. Ultimately, some of what was being built may not be needed going forward, both in terms of its utility and its future cost to the business. A decision has been made to rebuild MyOSPRI and prioritise the replacement of the NAIT system.

As a result, there is a significant impairment of $16.6m on the value of the current MyOSPRI asset as shown in the summary consolidated financial statements in this annual report and in the full consolidated version of the accounts available on the OSPRI website.

Existing technology is still working

The issues are about future technology upgrades. Although the current NAIT system needs improvements, it is still working, and our disease management programmes are making good progress.

Farmers are increasingly compliant with NAIT, there are no cases of *M. bovis*, and we are seeing the lowest number of TB cases ever.

Thanks to farmers who tested the NAIT replacement

The report highlighted the strong user experience and design of the new NAIT application and a group of farmer testers you can take credit for this.

OSPRI thanks these farmers for their time, feedback and guidance to OSPRI to ensure the system works for farmers.

The work they have done with OSPRI in terms of improving the farmer interface is not wasted and will be utilised in the replacement. OSPRI will continue to consider farmer feedback throughout the process and of course in the final stages of delivering this product.

When will the NAIT replacement be delivered?

Upgrading the NAIT system remains a priority for OSPRI.

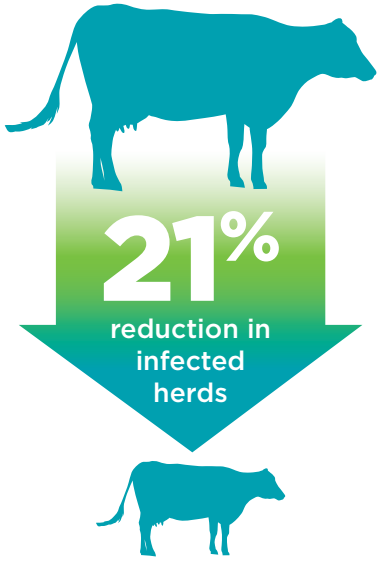
We need to take the time to get this right. The review recommended a remediation phase of 4 to 6 months to reassess the MyOSPRI architecture, prioritise NAIT delivery, address resource constraints, and ensure effective governance and stakeholder engagement.

We will continue to keep stakeholders informed about the programme as part of our commitment to greater transparency.

OSPRI achievements this year

Figure 1: Key highlights for 2023–2024

TBfree



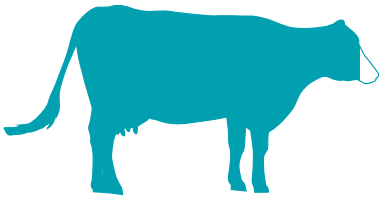
TB plan review
started

200,526
hectares declared free of TB

NAIT

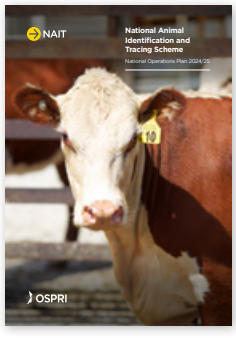
Traceability indicative compliance scale
78.8%

146
NAIT drop in sessions run



95.4%
of animals are registered prior to first movement

5
online education modules launched



New
National Operations Plan launched

M. bovis

Successful
transition to OSPRI

0
No active confirmed properties
at 30 June 2024

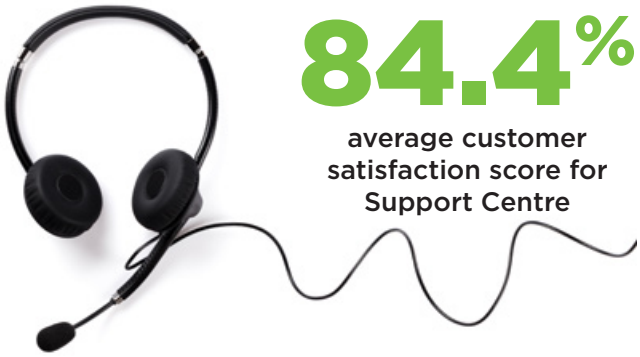
38
positions filled for transition

Support functions

Launch of OOMS
(replacement disease management system)

74% confidence rating
in stakeholder survey

39.5%
increase in number of F2MP[1] eASDs[2] generated in FY2024



84.4%
average customer satisfaction score for Support Centre

1 Farm to meat processor
2 Electronic Animal Status Declarations

Objective

1

Reduce the number of TB infected herds in New Zealand

Our focus

- **Reducing infected herd numbers in Hawke's Bay and Hari Hari.**
- **Collaborate and partner with farmers, landowners and Māori to support the TBfree programme.**
- **Initiate 10-year review of the TB programme.**

2023–2024 KPIs

Reduce the number of TB infected status cattle or deer herds to less than 13.	**NOT ACHIEVED** At 30 June 2024 there were 15 TB infected herds nationally. This is the lowest year end infected herd number, for the second year in succession. (By mid-August there were 12 TB infected herds.)
Reduce the total TB Vector Risk Area to 6.25 million hectares, with a priority focus in risk areas.	**ACHIEVED** At 30 June 2024 the total TB Vector Risk Area in New Zealand is 6.1 million hectares following 200,526 hectares being approved as free of TB during the 2023/2024 year.

Results for the TBfree programme are reported in the detailed disease management statistics section.

Reducing TB infected herds

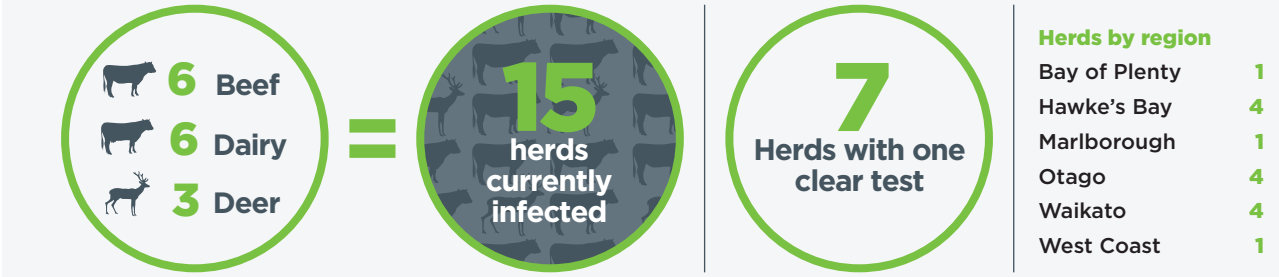
TB infected herds at 30 June 2024

For the second consecutive year, the 30 June total of TB infected herds is the lowest end of year number the TBfree programme has reported – 15, which is four fewer than last year. By mid-August 2024, another three herds had cleared, bringing the total down to 12.

In the Hawke's Bay response area, the total number of TB infected herds dropped from six to three (there is one additional TB infected herd in that region which is not within the 2019 incursion) at 30 June 2024. By mid-August, that number had decreased further to one TB infected herd. Vector control will continue in the area with ground control planned in the FY2025 year.

In Hari Hari on the West Coast, there are currently zero TB infected herds at year end (the one West Coast herd is further north). Vector control will continue to ensure the wildlife risk is removed for good.

Figure 2: National TB infected herds, 30 June 2024



TB infected herds in Taupō district

Bovine TB was detected in one cattle herd in the Taupō district in September 2023 through routine testing and surveillance. Two additional herds were found in June 2024, and at the time of writing there were four infected herds in this area.

The infected herds are in an area that had been considered free of bovine TB. Our initial hypothesis that the infection was caused by wildlife (infected possums) has been confirmed by finding an infected pig near the index property. Whole genome sequencing also supports this and indicates it is the same strain as in Hawke's Bay.

While buffer work around Hawke's Bay has been ongoing, it has not been sufficient to prevent spread. The area is a priority and the following is in progress –

- We are working closely with impacted farmers to support their recovery to clear herd status.
- Additional TB testing has been arranged to ensure early detection and to limit spread within herds.
- Movement control restrictions have been placed on some herds where wildlife infection risk exists to minimise the risk of spread of disease through cattle movements.
- Possum control on and surrounding the original infected property has resulted in 1,400 possums being removed since January, and will continue.
- We are partnering with landowners who are already implementing pest control measures for conservation and forestry interests to deliver coordinated landscape management more rapidly.

It takes a team effort – clearing Hari Hari of TB infected herds

One of our focus areas this year has been Hari Hari / Waitaha Valley, a small farming community in South Westland, 50km south of Hokitika, nestled between the Southern Alps and Tasman Sea.

The most recent outbreak in Hari Hari dates back four years. Since then, there have been a total of 17 herd breakdowns of infection – a quarter of the total herds in the area.

With TB affecting so many in the area, the community has pulled together to tackle the problem. "From the beginning of the outbreak, farmers in Hari Hari were worried about their farms and their neighbours. Not knowing what herds were infected – due to privacy – made many uneasy, but the community support was strong", says Katrina Simpson, Chair of the West Coast OSPRI farmer committee.

"Farmers made it clear from the start that TB control work had to be a priority and needed to continue until TB was eradicated."

"OSPRI's wraparound support for the community, especially the affected farmers, was greatly appreciated."

Over the past 30 years, there have been outbreaks in the farmland of Hari Hari following a 5–10 year cycle. Prior to the 2019 outbreak, there were no infected herds for four years.

This reoccurring pattern is something Hari Hari dairy farmer, Simon Stewart knows very well. "With all the native bush here, it's something we're always aware of. Farmers on the Coast have adapted their farming process for years to manage it. This means the outbreak in Hari Hari didn't mess with business-as-usual activities, although it did impact some bull sales and some grazing for people. It will definitely be a relief not having to worry about TB."

Kevin Crews, Senior Veterinarian, Disease Management, OSPRI describes the TB bug as resilient. "While we can get temporary relief from the problem, if we haven't dealt with the source, the bug can sit in the background cycling in possums and can come out again."

Based on his many years' experience dealing with TB, Kevin strongly advocates sticking to the tried-and-true recipe of eradicating TB.

"We have over 30 years of applied research on the unique problem we have in our country. If we deal effectively with the possum population, the problem will look after itself."

In this latest outbreak, OSPRI worked with the community and partner agencies to develop and implement a tailored disease control

Table 1: Total operations **(ha) and cost $ in Hari Hari 2020-2024**

Hari Hari response	2020-2021	2021-2022	2022-2023	2023-2024	Total
Hectares of aerial operations	–	37,095	–	12,034	**49,129**
Hectares of ground operations	29,511	46,148	28,426	25,339	**129,421**
Hectares of surveillance	–	162	–	–	**162**
Operational spend	**$880,879**	**$2,096,848**	**$654,498**	**$1,033,514**	**$4,665,739**

response plan including herd protection and treatment to surrounding areas of Hari Hari and the Waitaha Valley.

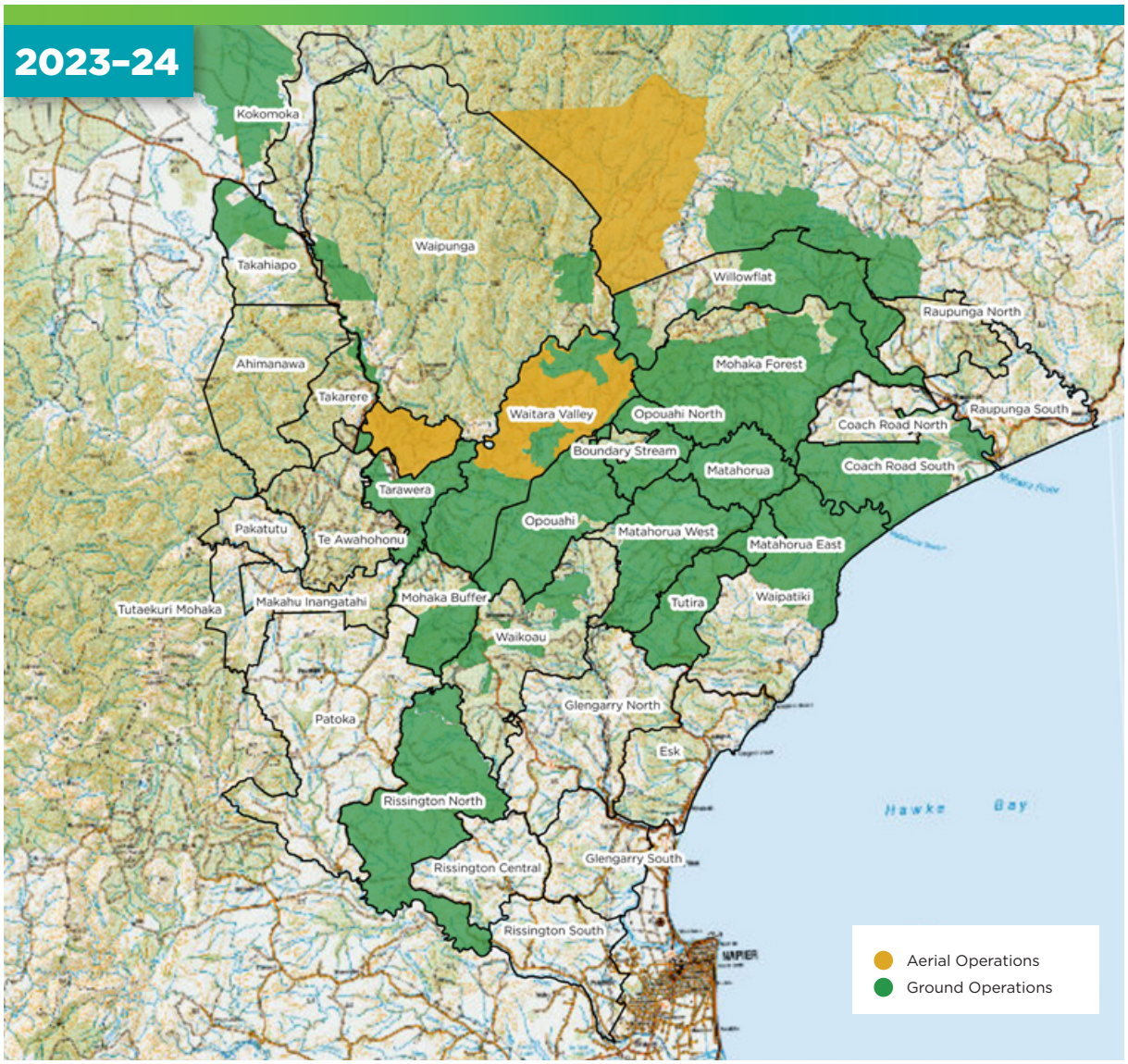
On 16 June of this year, Kevin called the last Hari Hari farmer with infected cattle to let them know their herd was TB free. “It’s taken about four years and hundreds of hours of diligent work to reach this point. A wide range of skills and experience is essential and it’s taken a collective effort from many including farmers, vets, suppliers, and regional engagement.”

Kevin fully appreciates the challenge of eradicating TB – control work continues and another round of aerial control will be required in the near future.

“TB has been around for centuries, and it simply doesn’t just disappear without sustained possum control in the correct areas.”

“We have over 30 years of applied research on the unique problem we have in our country. If we deal effectively with the possum population, the problem will look after itself.”

Hawke's Bay response area operations



Map 1: Operations in Hawke's Bay 2023–2024

The Hawke's Bay incursion began in April 2019 and vector operations commenced in October that year. The table shows the size and cost of operations in the past five financial years.

Hawke's Bay response	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Total
Hectares of aerial operations	63,103	27,937	24,189	49,672	27,564	**192,465**
Hectares of ground operations	87,498	125,234	167,443	127,874	129,759	**637,808**
Hectares of surveillance	50,632	12,686	-	-	-	**63,318**
Operational spend	**$4,827,853**	**$5,125,916**	**$6,591,412**	**$4,482,426**	**$5,185,958**	**$26,213,565**

Table 2: Total operations (ha) and cost ($) in Hawke's Bay 2019-2024

Vector operations

$30.6 million of vector operations work was delivered this year, including ground and aerial operations, surveillance and monitoring. This work is aimed at removing TB infected wildlife, assisting to keep herds safe from infection and meet our TB eradication targets.

The programme continued to clear Vector Risk Areas (where local wildlife populations have been or remain infected with TB) This year 200,526 hectares of land, in the Kahurangi National Park and Otago areas, had their status change from Vector Risk Area to Vector Free Area. In total, 6.1 million hectares of Vector Risk Area remain in New Zealand.

See the statistics section for details of our vector control work and newly declared Vector Free Areas.

Key risk areas

The 2020 Health Check established nine key risk areas and we are in the process of reassessing these as the number has reduced as we carry out operations. Some areas are now considered to be lower risk and there are some additional areas of interest, including Taupō, and north and western Otago.

Testing

On-farm TB testing is a critical part of the TBfree programme. The screening test is a small dose of tuberculin injected into the skin; if an animal has been exposed to TB, there will be localised swelling at the injection site.

The TB programme undertook approximately 1.7 million TB tests this year, including:

- routine surveillance tests in areas where there is a risk of infection from possums
- non-routine tests such as pre-movement tests, infected herd management tests and optional pre-movement tests for breeding bulls.

Testing costs in the 2023-24 year totalled $11.7 million. As Vector Risk Area are cleared, and the programme are reviewed, OSPRI is able to reduce the burden of testing on farmers through reductions in Disease Control Areas.

In May 2024, OSPRI's testing contractor, AsureQuality, advised that as a result of an internal strategic review, it would be discontinuing TB testing and necropsy services at the end of the current contract periods, 31 October 2024 and mid 2025. The necropsy (postmortem) of wildlife is used to survey wild populations of possums, pigs, and ferrets for the presence of TB.

By 30 June, an internal OSPRI steering group had commenced procurement for the necropsy services, reconfirmed service levels through to the end of the testing contract, was working with AsureQuality on the transition of services, and had started scoping procurement solutions.

Following a Board decision on the testing options, transition planning will begin to ensure seamless continuation of testing services from mid 2025.

10-year TB Plan review

Health check in 2023

An outcome of the 2023 health check of the TBfree programme was to bring forward the start of the 10-year review of the TB National Pest Management Plan (NPMP), which was due to be started by 1 July 2026.

Several issues came out of the 2023 TB health check that have formed the foundation of the statutory review of the Plan, including:

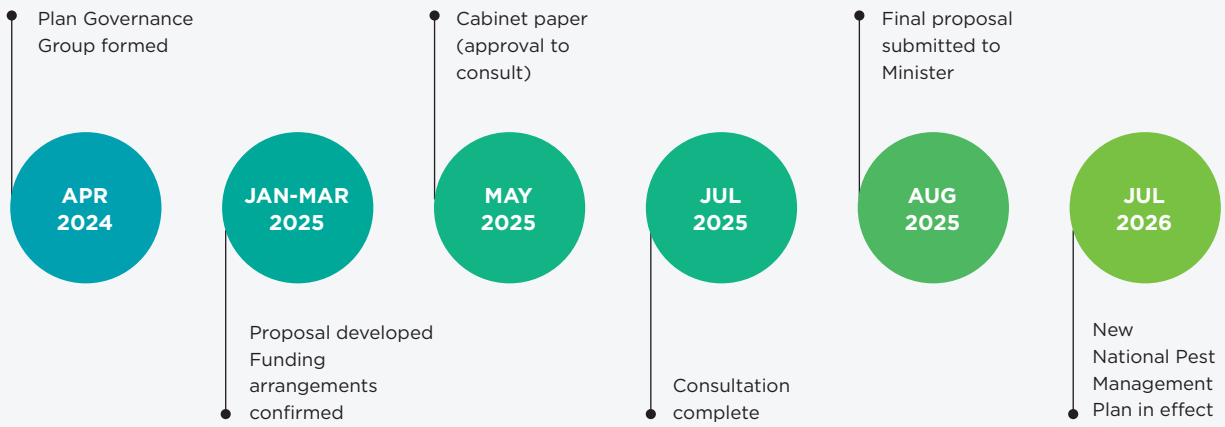
- the cost projections for the Plan produced in 2015 to support the case for TB eradication have been shown to be inaccurate
- there is increasing risk that the 2026 milestone of TB freedom in cattle and deer will not be met as currently defined due to current cost pressures and the likely residual infection within herds. Cost pressures from inflation are also placing the achievement of the 2040 milestone of TB freedom in possums at risk.

Aims of the 10-year Plan review

The review of the NPMP has started with the forming of a Plan Governance Group, with an independent Chair, Dr Helen Anderson and senior funder representatives. The main review steps are to:

1. look back at the performance of the programme since the last review in 2016 and forecast the performance to 2026
2. look at the options for the future of the programme, in combination with funding discussions.

Timeline for the 10-year Plan review



Collaboration and partnerships to support the TBfree programme

Critical to the TBfree programme's success is building strong, enduring relationships and partnerships with farmers, landowners, iwi, and regulatory agencies.

Our partnership strategy

The partnership strategy has been developed for the Central North Island, but is intended as an engagement approach that can be applied and add value to any area of OSPRI's work. The strategy aims to:

- build greater trust and confidence in OSPRI
- clearly communicate our long term strategic intent across Vector Risk Areas
- articulate how and why we make decisions in relation to disease risk
- share information and resources with the people who we need to support our programme.

A partnership is a working relationship where the risks and benefits are shared and our principles enforce this lens – perspective, connection, authenticity, scalable, outcome-focused.

Several tools have been developed to give effect to the strategy:

- supplier diversity plan to support Māori who would like the opportunity to work their whenua
- 10-year regional TB outlook, reviewed annually, to detail history of TB in the area, activities planned for TB eradication, and the reasons behind the disease management decisions we make
- partnership builder flowchart
- supplier scoping assessment to identify the skills and capabilities of Māori contractors
- the importance of storytelling to achieve stakeholder buy-in and support.

This way of working has received support from stakeholders we've engaged with as shown in the feedback they've provided of their experiences with OSPRI's collaborative approach in action.

"Ngā mihi for the opportunity to provide feedback on OSPRI's partnership strategy. From our perspective, OSPRI's collaborative approach has positively impacted our relationship. Key aspects include:

- The new regional model, with staff working directly with hapū and iwi, has enhanced engagement and given greater significance to local knowledge.
- The land access strategy aligns with our values of kaitiakitanga and intergenerational thinking.
- Collaboration with hapū in pest control and conservation shows a commitment to common goals.
- Appointing members to the oversight group with iwi relationship expertise has strengthened cultural competence.
- Recognition of community-based solutions and capability building is highly valued.

OSPRI's strategy is working. It is creating effective collaboration with hapū and iwi, and with continued commitment, it will achieve better pest control and disease management outcomes in Aotearoa."

Objective

2

Support farmers to embed good on-farm traceability practices

Our focus

Inform farmers on the value of practicing good on-farm traceability.

Deliver a NAIT system that is easy to use and fit for purpose.

2023–2024 KPIs	
Increase compliance with NAIT obligations to above 75% as measured on the Traceability Compliance Scale.	**ACHIEVED** At 30 June 2024 the traceability compliance scale was 78.8%.
Continue work to deliver the rebuilt NAIT system which is easy to use and fit for purpose.	**NOT ACHIEVED** In February, the OSPRI Board, with the support of shareholders and funders, chose to slow the development of the system and commission an independent review. In FY2025, we will be implementing the findings of the review.

For further detail about the ISSP work, see pages 10-11.

NAIT compliance continues to improve slowly

The traceability indicative compliance scale was 78.8% at 30 June 2024. NAIT compliance continues to trend upwards; with increased focus on movement recording and ongoing traceability education, we expect this to continue.

The percentage of animals registered prior to their first movement continues to be high – 95.4% at 30 June 2024.

The percentage of movements recorded within the 48 hour statutory period is improving slowly. At 30 June 2024 it was 63.2%, but was 68.9% at the end of the preceding quarter. The decline in timely movement recording seen in quarter 4 is usually due to the increased volume of movements on Moving Day (around 1 June each year).

Movement recording has been a focus of the NAIT and MPI compliance teams during the past year, and we are starting to see results.

Figure 3: Improvements in the indicative compliance scale FY2021 – FY2024 (FY – financial year, July to June in the next year)[3]

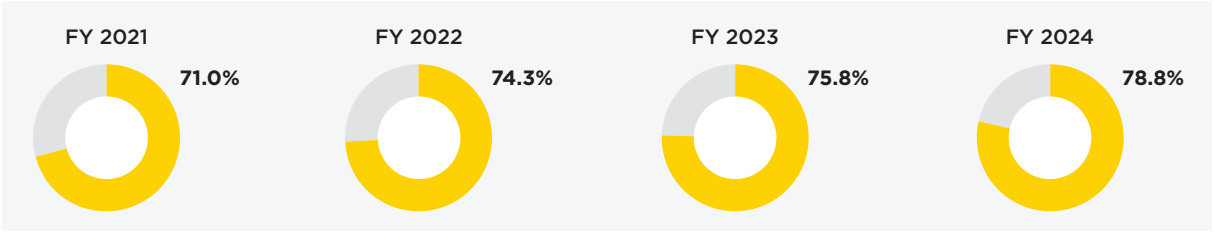
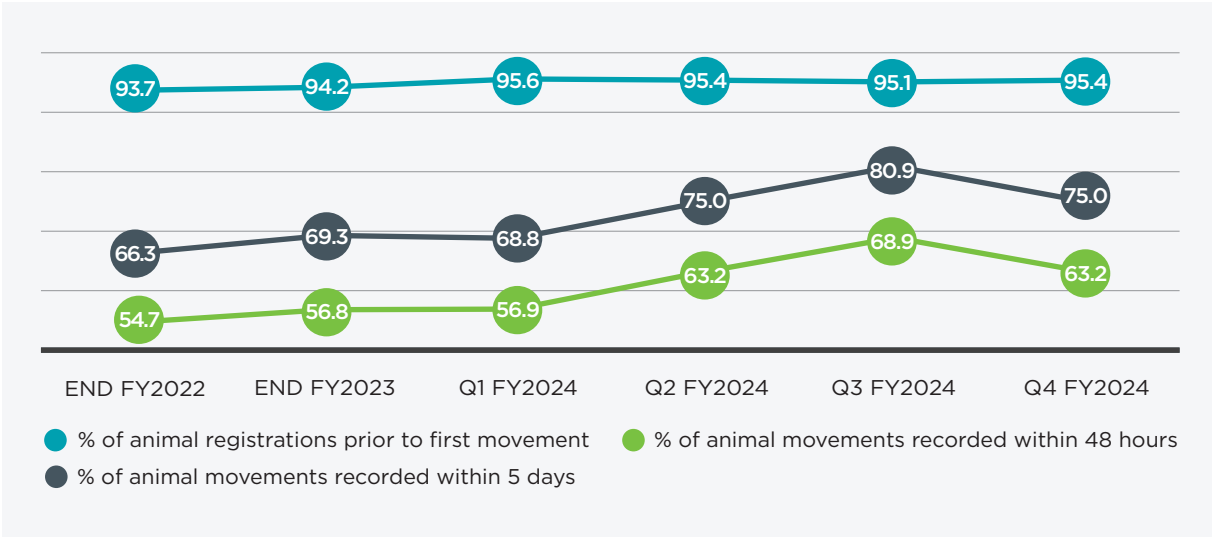


Figure 4: % of registrations prior to first movement and % of movements recorded within 48 hours and 5 days



3 The calculation of the indicative compliance scale changed this year with the removal of a measure that was incorrect. The scale percent for each financial year is now higher than previously reported.

Informing farmers on the importance of traceability

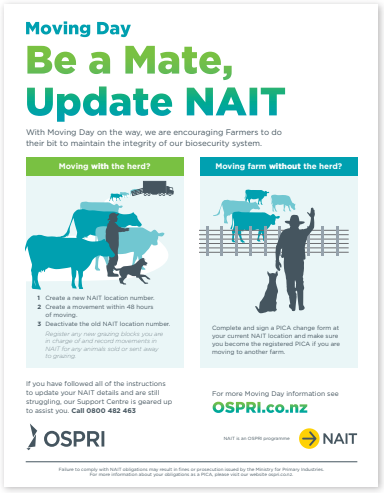
OSPRI is responsible for education and assistance, the first levels of the VADE model (Voluntary-Assisted-Directed-Enforcement) used by OSPRI and MPI to implement the NAIT scheme.

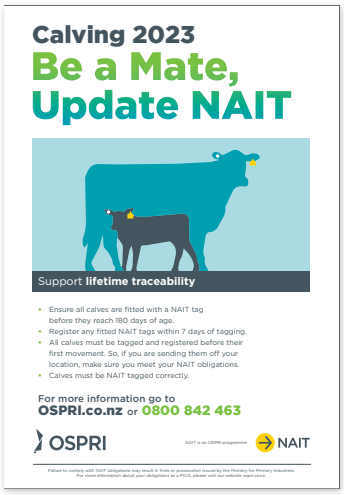
Education occurs through communications campaigns, regional workshops and training, Fieldays and online education modules on our website. Assistance to farmers is provided by telephone and email support through the Support Centre and regional drop-in sessions. OSPRI farmer Committees are also a key source of information.

Be a mate, update NAIT campaign

Our national communications campaigns are tied to the farming calendar, including:

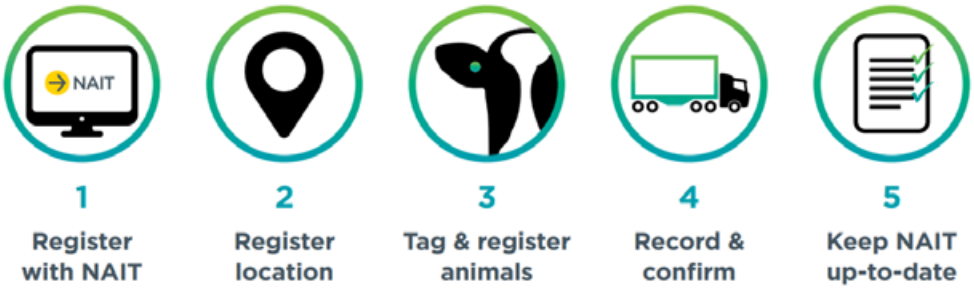
- Moving Day
- Calving
- Buying or selling calves
- Winter and summer grazing
- Spring bull sales
- Mating and roar (deer farmers)





Education modules

This year we worked with farmers and MPI to launch education modules that explain NAIT obligations. The modules are available on the OSPRI website and cover a PICA farmer's (Person in Charge of Animals) five key responsibilities.



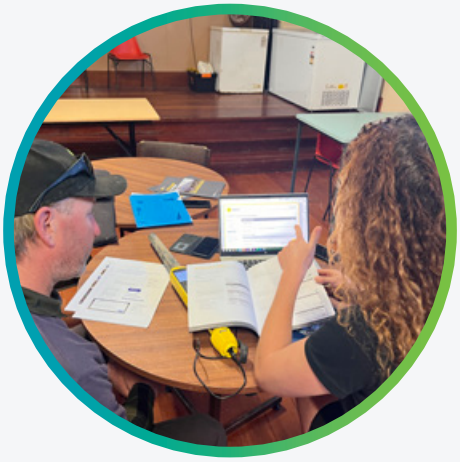
Events in FY2024

19
Large events attended

- NZ Young Farmer of the Year regional finals and Grand Final
- National, Central Districts and South Island Fieldays
- AgFest
- NZ Agricultural Show
- Deer Industry NZ conference
- Dairy Women's Network Conference
- Dairy Women's Network Calf Expo
- Rural Women's Conference
- South Island Dairy Event
- NZ Dairy Industry Awards

36
Committee meetings

- 12 Committees
- 166 members across NZ
- meet 3-4 times a year
- made up of farming community members – farmers, industry advisors, shareholder and stakeholder representatives



146
NAIT drop in sessions

- take place at local venues
- organised by local OSPRI regional partners
- mainly one-on-one sessions
- services include assistance tidying NAIT movements, discussing best tagging practices, creating new herd numbers, informing farmers how to manage their NAIT accounts

The Support Centre's work in FY2024

53,310
calls received during the year

12,170
outbound calls made

23,204
emails received during the year

61.6%
of emails processed within 48 hours
(average over the year)

5 minutes
10 seconds average wait time
(target 3 minutes)
(if Moving Day months are excluded, the average wait time is 4 minutes, 40 seconds)

84.4%
average customer satisfaction score during the year
(industry standard 70–85%)

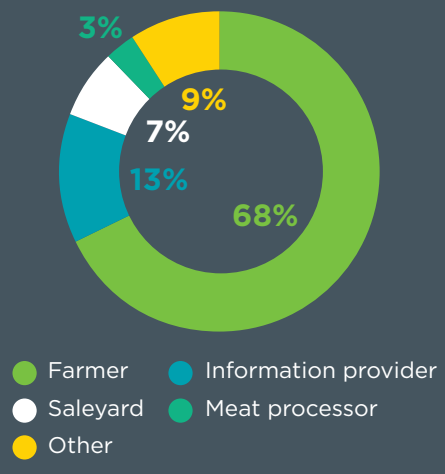


Figure 5: % of callers to the Support Centre by type

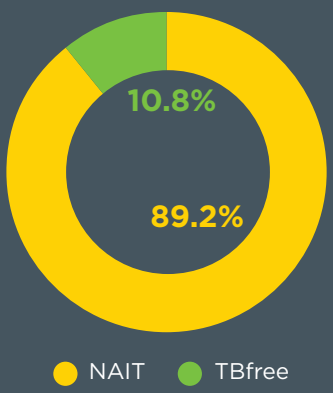


Figure 6: % by programme of phone calls to the Support Centre

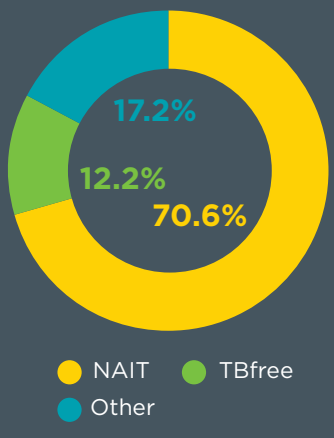


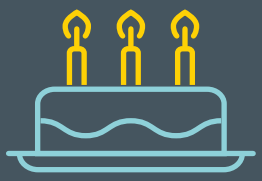
Figure 7: % by subject of emails received by the Support Centre

Meet our Support Centre

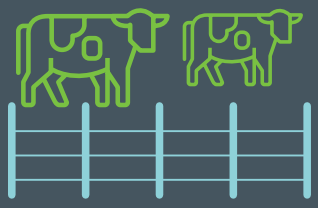
The Support Centre is often the first point of contact our customers have with OSPRI. We speak to thousands of people every year both over the phone and through email. We're here to assist PICA farmers to register animals and movements and answer questions about NAIT, TBfree and *M. bovis.*

But who are the people that make up the OSPRI Support Centre?

A team of **33** including **4** people leaders



Our age range is **19 - 56** and our time at OSPRI ranges from a few months to almost five years



30% of us grew up on a farm or our family had a farm

83% of us are from NZ, **17%** are from another country

51% have a university degree

One thing we have in common

we are committed to helping our callers and our customers, both internal and external. We take pride in our work at OSPRI, knowing that what we do is essential to supporting New Zealand's biosecurity system.

OSPRI brings traceability and disease management to young farmer competitions

New Zealand's next generation of farmers will see very little TB in comparison to those families who farmed before them. By July of this year, just 15 TB infected herds remained in New Zealand – a long way from the 1700 afflicted in the 1990s. However, years of effort still lie ahead before the country can be declared TB-free, and it's work that can be undone by complacency.

Aware of the challenge, OSPRI's Regional Partners worked on both the FMG Young Farmer and Junior Young Farmer contests this year to ensure the fight against TB isn't out of mind – even though the disease seems out of sight.

The team worked together to develop and facilitate modules for both contests – by testing their understanding of NAIT and TBfree.

Regional Partners were pleased to find our future farmers had a good appreciation of the importance of biosecurity. "It was great to see that many of the contestants already knew they had a role to play in disease management", says OSPRI regional partner Danielle Holland. "While a few required a small nudge in the right direction, once they got it, they were away".

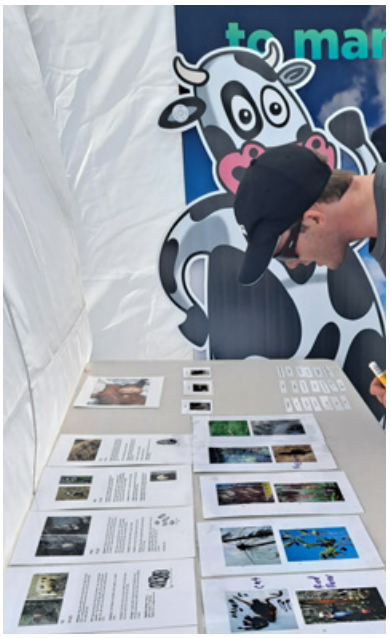
Junior contestants tackled essential traceability topics, such as determining the ideal placement of a NAIT tag. They also covered the issue of broken movement chains. Broken chains occur when an animal registered to one NAIT location is recorded in a movement from a different location – without a record of it previously being there. Armed with Animal Status Declaration (ASD) forms, many of the junior contestants completed the module showing great skill.

Meanwhile, FMG Young Farmer of the Year contestants were tasked with a practical pest management challenge. They had to identify pests, assess the risks associated with their presence, and identify on-farm control methods.

The focus was on wild pigs, deer, and possums, culminating in a hands-on challenge to build a standard possum cage trap.

Promoting good on-farm biosecurity practices is an important part of a TB-free New Zealand. For OSPRI, these competitions have proven to be a rewarding way to bring fresh eyes to the presence of TB, and to educate future farmers about how they can contribute to the disease's eventual eradication.

> *"It was great to see that many of the contestants already knew they had a role to play in disease management."*
>
> **Danielle Holland, OSPRI regional partner**



In 2019, OSPRI began work towards delivering an integrated animal disease management and traceability system. This work is currently paused. See pages 10-11 for the most recent update on the MyOSPRI build.

User feedback during the MyOSPRI build

Although the MyOSPRI programme is paused, awaiting the decisions on the recommendations in the review report, we have collected a lot of farmer input that will be useful for completing the NAIT solution.

Farmers provided valuable feedback on the functions required, look and feel, and flow of the front end – the user interface. The issues we are currently reviewing are to do with the back end, the platform on which the solution sits.

Through the work of this group of approximately 60 farmers, we understand what they need and want. These insights have been captured and will be used in future.

We have had positive feedback about the look and feel of the front end of the replacement NAIT solution.

"If I can register a farm, anyone can do it."

"Really like it, way better than NAIT already."

"System is easy to use."

"System is intuitive and walked you through the flow path."

Figure 10: Components of our farmer engagement during the MyOSPRI build

In-person working groups

- Five farmer working groups – Northland, Waikato, North Otago, Otago, Southland
- Tested features at workshops and provided feedback and suggestions for next steps

Real time feedback

- MyOSPRI Farmer Testing Group
- Tested each new release in a production area – were asked specific questions or shown specific functionality
- Development team sought advice / guidance when they had an issue or roadblock
- Surveys were also used to gather feedback

MyOSPRI showcases

- Presentation of MyOSPRI features and progress
- To internal and external participants
- Feedback collected

Objective

3

Evolve OSPRI for the future

Our focus

Implement integrated technology to deliver more efficient disease management and improved customer services.

Plan for the transition of *M. bovis*.

2023–2024 KPIs	
We have completed transition planning and set up for the management of *Mycoplasma bovis (M. bovis).*	**ACHIEVED** The timeline plan and workstreams were delivered, ensuring OSPRI was set up to take on responsibility for the *M. bovis* surveillance programme on 1 November 2023.
80% of surveyed stakeholders (including Māori partners) express confidence in OSPRI and its programmes as measured through a stakeholder survey in June 2024.	**NOT ACHIEVED** An overall confidence rating of 73.6% was achieved in interviews conducted with the Stakeholders' Council Chair, six OSPRI Committee Chairs and two iwi partners during June 2024. Stakeholders commented on their confidence in the *M. bovis* programme and its successful transition to OSPRI.

M. bovis transition to OSPRI

M. bovis Free New Zealand Limited (*M. bovis* Free), a wholly owned subsidiary of OSPRI, took over responsibility for the day-to-day operational and disease control functions of the *M. bovis* eradication programme, from the Ministry for Primary Industries, on 1 November 2023.

A key objective of the transition plan was that farmers would not notice any significant differences in how the programme is delivered.

Figure 11: *M. bovis* transition work

4 transition workstreams delivered

- Financial and commercial, procurement
- People
- Operations
- Stand up

Key documents negotiated and signed

- Head contract
- Funders' agreement
- Information sharing agreement

38 positions filled

- Structure and position descriptions developed
- Training needs analysed and materials developed
- Advertising
- Interviews and offers
- Onboarding

- Assess MPI process flows
- Confirm day 1 stand up requirements
- Develop standard operating procedures

Contracts

- Service contracts approved
- RFP process for sampling contracts
- 12 contracts novated from MPI to *M. bovis* Free NZ Limited

- Agreed access to Tiaki
- Design workshops to work through configuration of OOMS[4] for *M. bovis*

4 OSPRI's disease management system

M. bovis responsibilities

OSPRI's operational work includes:

- surveillance of the national dairy herd through bulk tank milk testing and screening of the beef herd through testing of samples collected on-farm and at meat processors
- managing properties with infected cattle
- supporting affected farmers.

MPI retains non-operational aspects of the programme, including compensation and any necessary compliance action.

Until a National Pest Management Plan is put in place, expected in early 2025, MPI and programme partners DairyNZ and Beef + Lamb NZ have overall accountability for the programme under a Government Industry Agreement. The GIA partners continue to provide strategic direction for the programme and closely monitor operational delivery.

Figure 12: Functions undertaken by *M. bovis* Free NZ Limited from 1 November 2023

M. bovis programme statistics 1 November 2023 – 30 June 2024

Active confirmed properties

1 at 1 November 2023

1 additional confirmed property since 1 November 2023

2 properties cleared since 1 November 2023

0 at 30 June 2024

Background surveillance programme

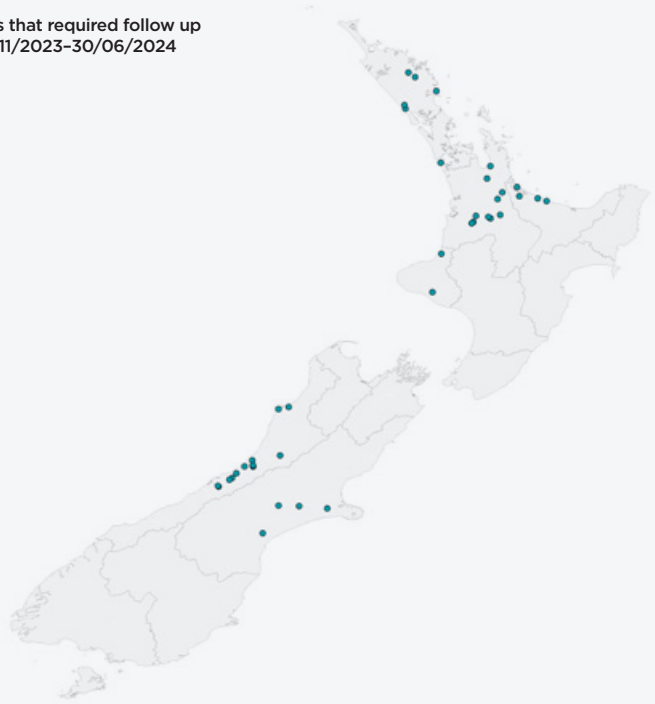
Bulk tank milk screening

The routine screening of bulk tank milk samples for indications of *M. bovis* infection provides an opportunity for the programme to identify infected dairies. Regular screening is conducted year-round, with increased frequency in July, August and September.

Table 3: Bulk tank milk sample numbers 1 November 2023 – 30 June 2024

Surveillance stream	Measure	1/11/23–30/6/24
Bulk Tank Milk (BTM)	Farms screened	Approx. 10,443
	Samples collected	76,316
	Detects[5]	50
	Detects that required sampling	39
	Detects that tested negative	39

Map 2: Location of BTM detects that required follow up sampling during the period 01/11/2023–30/06/2024



5 Detect definition: a test result exceeding a pre-defined threshold that requires epidemiological assessment for further investigation. Further investigation may include on-farm sampling of cattle.

Beef and drystock cattle surveillance

Beef and drystock screening is a national surveillance tool. It involves:

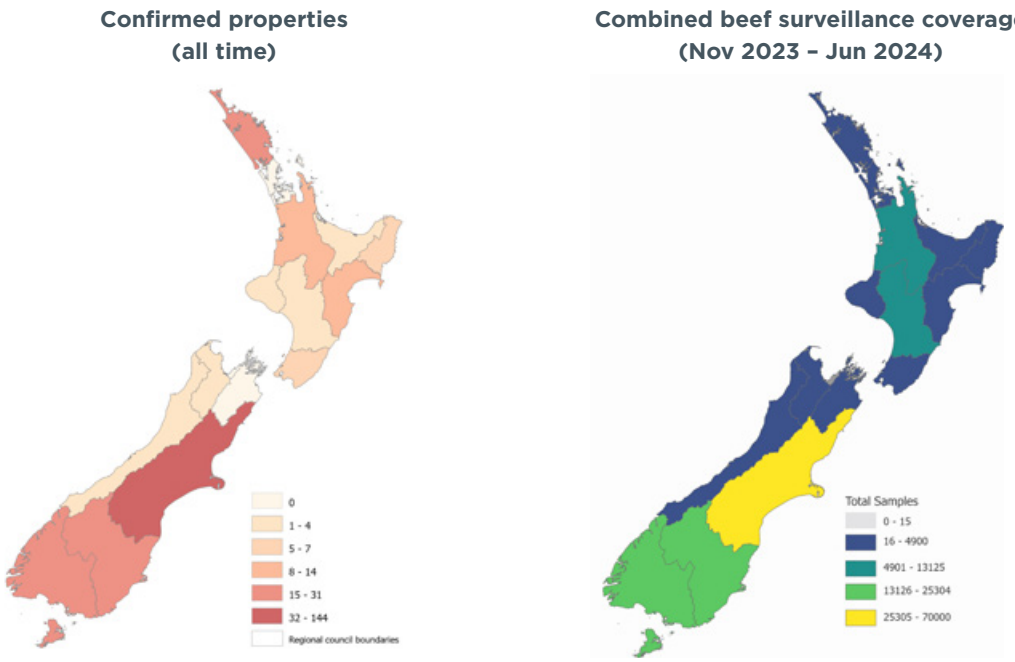
- sampling on-farm
- sampling at meat processors

Sampling is more intense in regions and production types that historically have had a higher incidence of links to infected properties.

Table 4: Beef surveillance numbers 1 November 2023–30 June 2024

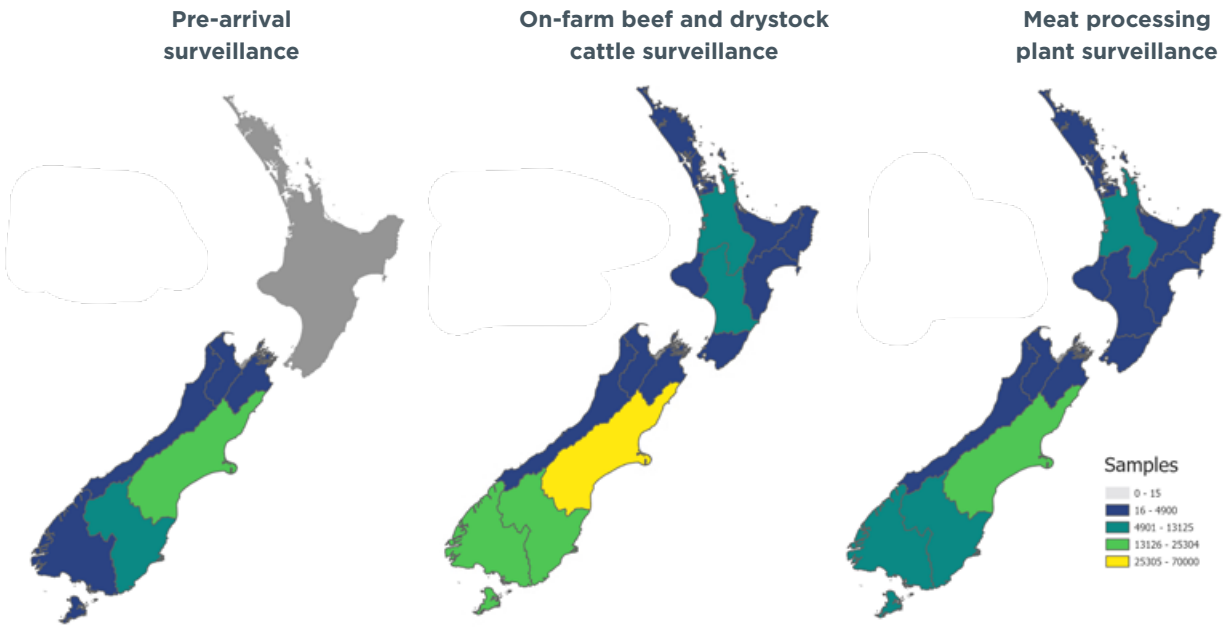
Surveillance stream	Measure	1/11/23–30/6/24
Pre-Arrival Surveillance (blood sampling of cattle)	Farms screened	163
	Valid samples collected	34,009
	Detects[6]	1
	Detects that tested negative	1
On Farm Beef and Drystock Cattle Surveillance (BBS)	Farms screened	405
	Valid samples collected	32,195
	Detects	0
	Detects that tested negative	0
Meat Processing Plant Surveillance (MPPS)	Farms screened	Approx. 4,106
	Valid samples collected	65,713
	Detects	1
	Detects that tested negative	1

Map 3: Background beef surveillance is weighted by risk with greater sampling in regions with the greatest history of infection



6 Detect definition: a test result exceeding a pre-defined threshold that requires epidemiological assessment for further investigation. Further investigation may include on-farm sampling of cattle.

Map 4: Beef surveillance coverage separated by stream (note, the key is the same as the combined map)



Report cases

This is a passive surveillance stream, providing a mechanism for vets, farmers, labs and members of the public to report suspected cases of *M. bovis* from observed clinical signs and/or test results.

Table 5: Report cases

Surveillance stream	Measure	1/11/23–30/6/24
Report Case	Report cases and regions	10 (Auckland – 1, Waikato – 3, Tasman – 1, Canterbury – 3, Otago – 1, Southland – 1)
	Report cases that tested negative	10

Implement integrated technology

This year we delivered and launched our new animal disease management system, OOMS (OSPRI Operational Management System).

What is OOMS?

In November 2023, OOMS Capability 1 replaced the legacy Disease Management System. OOMS now serves as OSPRI's central disease management database, responsible for:

- enabling the creation and allocation of tests
- capturing test results, actions, and laboratory outcomes
- improved reporting and informed decision-making.

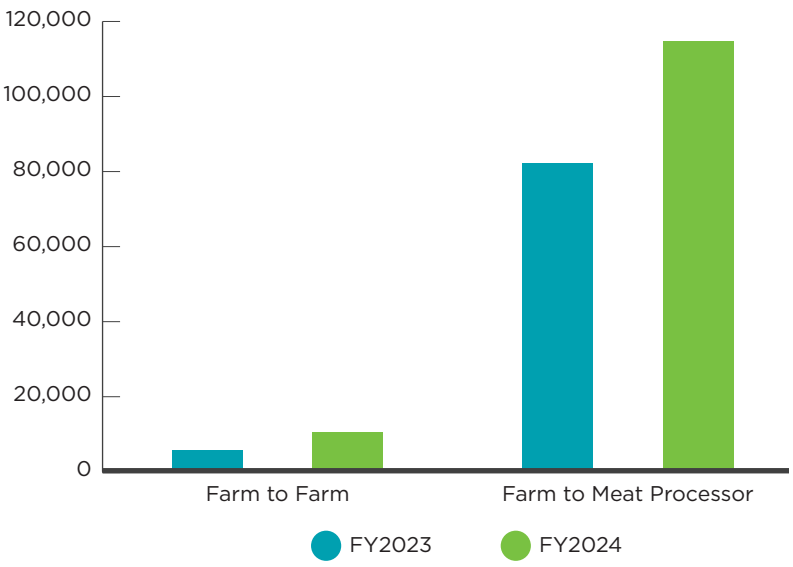
Unfortunately, the focus on MyOSPRI (see pages 10-11) has delayed OOMS Capability 2 (to replace our vector management system) and the configuration of OOMS for *M. bovis*.

Improvements achieved through OOMS

OOMS integrates with the legacy NAIT system and ArcGIS (our geospatial planning tool):

- enabling the efficient extraction of data for disease management analysis and strategic planning
- facilitating forecasting and modelling the impact of changes to Disease Control Areas, enabling more informed decision making.

Figure 13: Numbers of electronic ASD generated in MyOSPRI last financial year vs this financial year



eASD continues to be well used

OSPRI launched an electronic solution to Animal Status Declarations (ASD) in FY2023. It is available as a web responsive website to download like an app.

The electronic ASD is available for recording farm-to-farm and farm-to-meat processor movements. The number of electronic ASDs for each movement type has increased this financial year.

Integration of our programmes

OSPRI continues to seek opportunities to integrate our three programmes to ensure having TB and *M. bovis* eradication and NAIT under one roof yields increased efficacy and efficiency for funders. For example, the transition of *M. bovis* enabled NAIT to develop a cost-effective approach to monitoring NAIT data accuracy by re-using *M. bovis* on-farm audit data in preference to subjecting farmers to the time and expense associated with conducting additional on-farm audits.

Improvements in data reporting

Over the last 18 months, our data team has transitioned our reporting and analysis workflows from traditional data warehouses and tabular reports to a Cloud-hosted, OSPRI-wide data platform using Azure Databricks. The team is now able to provide reporting, analysis and forecasting using integrated data from across our programmes.

What stakeholders told us

73.6% confidence rating

In June 2024 we interviewed six OSPRI Committee Chairs, the Chair of OSPRI's Stakeholders' Council and two Māori stakeholders, asking them about our programmes, highlights of the year, and opportunities for improvement.

Figure 14: Themes recorded during stakeholder interviews in June 2024

WHAT'S GONE WELL

- *M. bovis* transition was a success and the people brought over from MPI have strengthened OSPRI's expertise
- A noticeable improvement in assistance for NAIT users, including the Support Centre and regional workshops
- OSPRI has matured and is more agile and resilient, operating programmes under challenging conditions such as weather and the unpredictability of a biological disease
- Significant improvements seen in engagement including development of Māori partnerships and a willingness to listen and seek input from OSPRI Committees and farming communities
- Consistent high regard for OSPRI's people, with individuals regularly praised for their quality and commitment, indicating strong recruitment practice

OPPORTUNITIES FOR IMPROVEMENT

- Disappointment over the failure to deliver NAIT in MyOSPRI
- What the change of TB on-farm testing provider will mean and if there is an opportunity to refine the programme and reduce costs
- Review the *M. bovis* transition to capture lessons learned for future disease programme handovers
- The next 3-4 months will be critical

SPECIFIC PROGRAMME FEEDBACK

- While the TBfree programme is making progress, there is concern about increasing breakdowns in two regions
- Some queried if the TBfree programme 2026 milestone is realistic
- The need for engagement with Regional Councils and community groups after OSPRI has finished control in an area, to ensure possum populations remain low
- A call for increased enforcement and fines to address plateaus in NAIT compliance
- Caution expressed about the possible re-emergence of *M. bovis* in spring

Objective

4

Make OSPRI a great place to work

Our focus

Invest in the capability of our people.

Maintain our strong culture of health, safety and wellbeing in the workplace.

2023–2024 KPIs

OSPRI has over 65% of people in the Growth contributor quadrants of our Talent Matrix[7].	**NOT ACHIEVED** 58% of OSPRI people are in the upper quartile of the talent matrix. The high number of new starters (35% have been with OSPRI less than one year) has brought down the % this year.
OSPRI's internal aggregated health, safety and wellbeing score reduces to and remains below 9.	**PARTLY ACHIEVED** At 30 June 2024, the health, safety and wellbeing score was 9, but it had not been below that during the year.

7 OSPRI assesses our people's performance and potential using a talent matrix. The Growth contributor quadrant includes all those people who are meeting or exceeding expectations, and have moderate to high potential.

OSPRI people in 2024

161.6
fixed term equivalents
↑ LY 139.8

162
permanent employees
↑ LY 143

5
fixed term employees
↓ LY 6

10
contractors
↓ LY 37

Figure 15: OSPRI people by type and comparison to June 2023

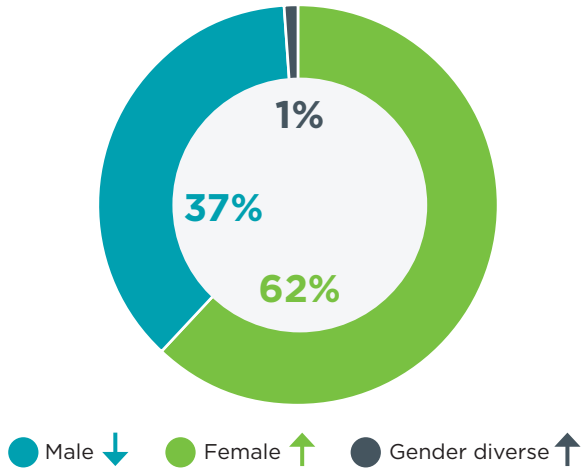


Figure 16: Gender breakdown of OSPRI people at the end of 2024 and movement direction since June 2023

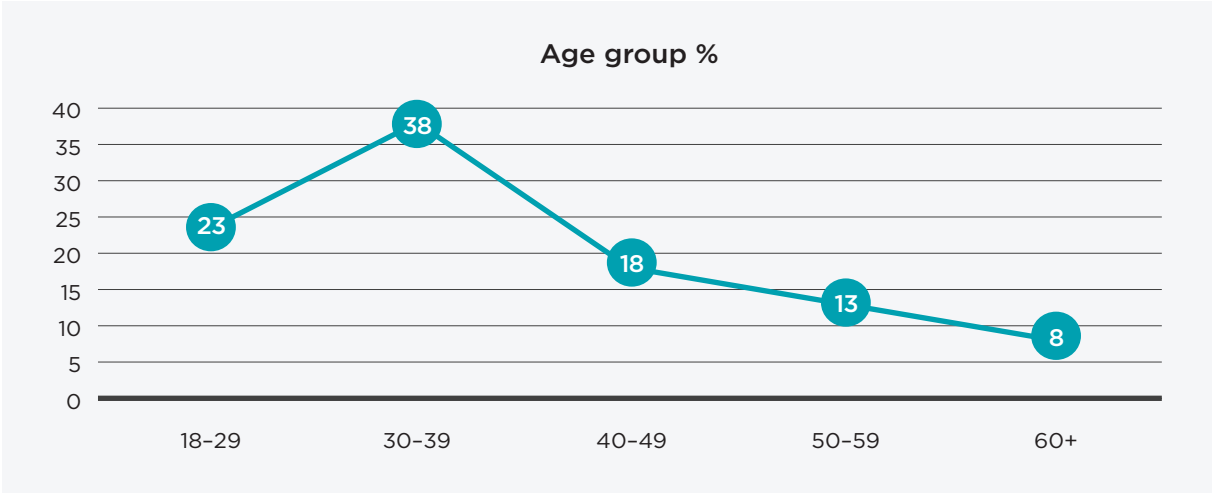


Figure 17: Age demographics of OSPRI people; the median age is 36

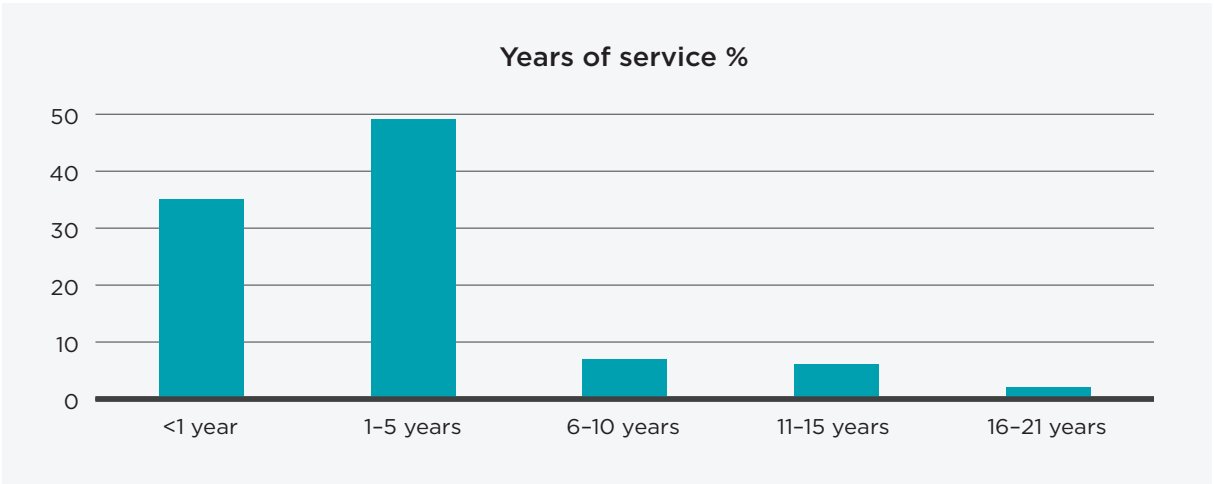
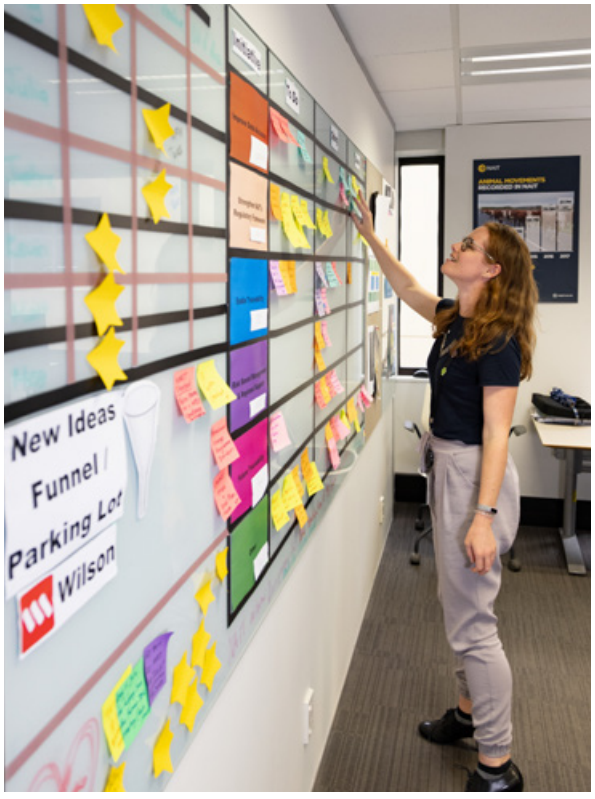


Figure 18: OSPRI people's years of service; the average tenure is 3.5 years

What People and Culture has been busy with this year

- The transition of 38 roles to OSPRI for the *M. bovis* programme, with 90% of these starting on 1 November 2023. This included confirming the structure, developing position descriptions and sizing the roles, all recruitment including roadshows and office open days for MPI teams, processing of applications, convening interview panels, contract offers, and arranging pre-employment and first day requirements.
- Delivery of five O-week sessions; three specifically for the 38 people joining OSPRI under the *M. bovis* transition and two for other new people. This is a two-day introduction to OSPRI's programmes, culture and teams, designed to help new people become familiar with the organisation, build personal connections, and develop a sense of belonging.
- A separate people leader induction has been added this year, and people leaders also have access to coaching and capability support via the People and Culture Business Partner role.
- We brought recruitment in-house to ensure the OSPRI experience is built into the end to end recruitment process. Since this change, 84% of vacancies have been filled on first offer. We have also refreshed the careers page on our website to highlight our people, culture and work environment. We estimate this change will save $246k in recruitment costs annually.
- Monitoring and sharing exit interview insights with the leadership team. Exit surveys show 77% of people exiting OSPRI are likely or very likely to recommend OSPRI as a place to work. Our turnover rate at 30 June of 24.7% over 12 months correlates to our tenure data and reflects a period of change in 2024. However, it is the lowest it has been since 2019. The turnover rate excluding the Support Centre was 19.2%.
- A second intake of the Kahikatea programme was run.



Leadership training

Kahikatea is OSPRI's leadership development course for people leaders and emerging leaders, run over six-months. It involves one-on-one coaching outside of six days of intensive workshops. It is designed to lift the capability of business leaders within OSPRI, creating a human centred leadership culture and growth mindset.

Our TuneIn workshop helps people to grow individual capability and personal belief in their potential and performance outcomes.

Since introducing these programmes:

Figure 19: Feedback from our survey three months past induction

Health and safety

OSPRI's vector control and monitoring contractors have demonstrated a high level of performance across health and safety during the last year. We continue to work collaboratively with them to ensure safe practices.

In the next year, we will continue to reform and strengthen the health, safety and wellbeing management system to match our current operations.

Health and safety trends

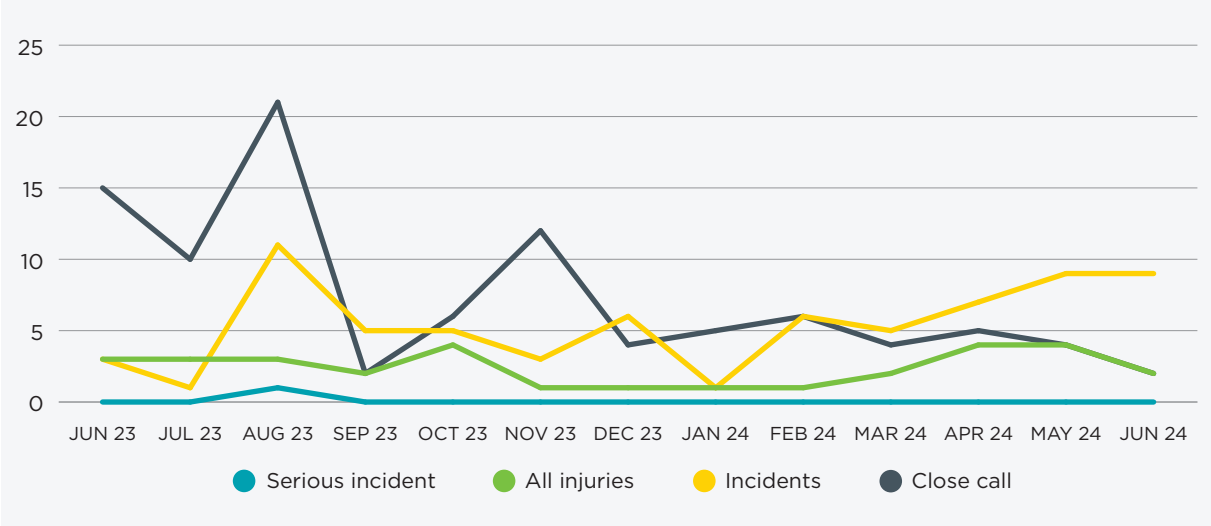


Figure 20: Incident trends 1 July 2023 – 30 June 2024

The incident trends shown in figure 20 report both OSPRI and contractor incidents.[8]

The serious incident recorded in August was a light vehicle tip-over accident. Corrective actions taken after the investigation into this incident were:

- a nationwide safety stand down to present the findings of the investigation and to reset safety expectations
- a lessons learned safety alert shared with all employees and the contractor network
- an independent review of OSPRI's health and safety management practices
- completion of a vehicle suitability review to ensure OSPRI has the correct vehicles and operating procedures
- distribution of a People Leader guideline outlining health and safety expectations and procedures.

During the winter months, between May – August, more incidents are reported. The top three critical risks demonstrated by these incidents are working in remote locations, vehicles and driving, and working with animals. Key incident types are:

- slips, trips and falls while walking on rough, uneven terrain on farmland or in bush areas
- vehicle loss of traction or control
- strains and sprains while handling animals.

Responsibility for contractors

OSPRI has health and safety responsibilities for contractors' employees who work in challenging environments. The people of our eight vector operations contractors, two monitoring contractors and three on-farm testing contractors face critical risks such as:

- working remotely in difficult terrain which can include crossing rivers and inclement weather conditions
- operating a variety of vehicles such as 4WD, motorcycles and LUV on unformed roads or tracks
- helicopter operations
- working with animals in farmyards.

8 An Incident is an event or situation arising at work that resulted in, or could have resulted in injuries, illnesses, damage to health, the environment, reputation or fatalities. It includes close calls, injuries, serious harm, property damage, environmental harm, vehicle incidents, toxin incidents, complaints, land access issues.

ISO accreditation

OSPRI maintained ISO45001 accreditation throughout FY2024.

Health, Safety and Wellbeing scorecard

At 30 June 2024 OSPRI's aggregated health, safety and wellbeing score was 9.

This scorecard is an internal measure of seven objectives including lead indicators, compliance performance targets and wellbeing measures. The scorecard was updated in FY2024 to include a more useful range of measures.

CATEGORY	ASSESSMENT CRITERIA	ASSESSMENT	SCORE
Management safety observations as a % of target	L over 75% M between 50-75% H under 50%	L Target exceeded	1
Outstanding annual leave balances (% of people in excess of 20 days)	L up to 5% of people with leave over 20 days M between 5-10% over 20 days H greater than 10% over 20 days	L 3.5%	1
Regrettable turnover. Total number of people terminations identified by Talent Matrix Growth quadrants divided by average number of people	L under 6% M between 6-12% H over 12%	L 0.6%	1
Training completed. Total number of people trained divided by total amount of training required	L greater than 75% M between 50-75% H under 50%	M 50.4% (50/119 training sessions overdue)	2
Number of overdue investigations	L under 5 M between 6-15 H greater than 15	L 0 outstanding	1
Number of overdue actions	L under 10 M between 10-19 H greater than 19	M 12 outstanding (mainly document reviews)	2
% of overdue field audits	L less than 20% M between 21-50% H between 51-89%	L all regions under 20%	1
Aggregated score (target is 9)			**9**

Table 6: OSPRI's health, safety and wellbeing integrated score card at 30 June 2024

Detailed TB disease management statistics

Delivery of the TBfree programme

TBfree New Zealand Limited, a wholly owned subsidiary of OSPRI NZ Limited, is the management agency for the National Pest Management Plan for Bovine Tuberculosis (Mycobacterium bovis) pursuant to section 100 of the Biosecurity Act 1993 and clause 6 of the Biosecurity (National Bovine Tuberculosis Pest Management Plan) Order 1998.

The objectives of the TBfree programme are:

- Eradication of bovine TB from New Zealand by 2055 with milestone objectives of:
    - TB freedom in cattle and deer by 2026
    - TB freedom in possums by 2040
- Containment of disease in cattle and deer to a national infected herd period prevalence of no more than 0.2% until such time as bovine TB is eradicated.

Components of the TBfree programme

To meet the objectives of the TBfree programme OSPRI delivers an integrated range of services:

- livestock disease management, which includes TB testing and diagnostics, disease surveillance through carcass inspection at slaughter premises, case management, and controls on livestock movement
- wildlife pest management operations through a possum control programme in Vector Risk Areas and wildlife surveillance to determine the presence of TB in possums or other wildlife
- an annual review of areas across New Zealand where there is a risk of transmission of TB from wildlife vectors to obtain an estimate of the probability that the possum population is free of TB
- a research and development programme to support the control and eradication of TB in wildlife and livestock
- support for farmers while eradicating within-herd infection
- local farmer-led committees which communicate the TBfree programme, activities, and operations to farmers
- a range of further communications and extension activity to farmers, stakeholders, and other affected parties.

How we find TB in livestock

Under the TBfree programme, New Zealand is divided into Disease Control Areas, each having their own frequency requirements for livestock TB testing – see the later section for more detail. The other method used to detect TB in livestock is identifying lesions suspicious of TB as part of routine carcass inspection at slaughter.

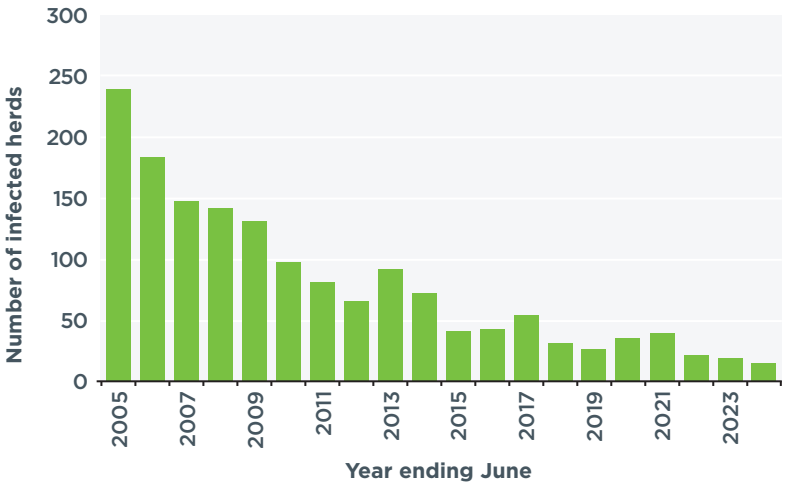
An overview of pest operations management

New Zealand is also divided into Vector Risk Areas, where local wildlife populations have been or remain infected with TB, and Vector Free Areas, where TB freedom has been achieved or the disease was never suspected to be present.

The plan objective is to eradicate TB from all wild animal populations on land within Vector Risk Areas, and to ensure the continued absence of TB in wildlife in all areas.

Recent progress of the TBfree programme

Figure 21: Number of TB infected cattle and deer herds at 30 June



Infected herd period prevalence

The annual TB infected herd period prevalence (for cattle and deer combined) at 30 June 2024 was 0.04%.

Period prevalence is derived from the total number of TB infected herds at the start of the year, plus new infected herds identified during the year, divided by the total herds in the country, expressed as a percentage. The annual period prevalence has been less than 0.2% for the last ten financial years; annual period prevalence is one of the standards that the World Organisation for Animal Health requires for official TB freedom.

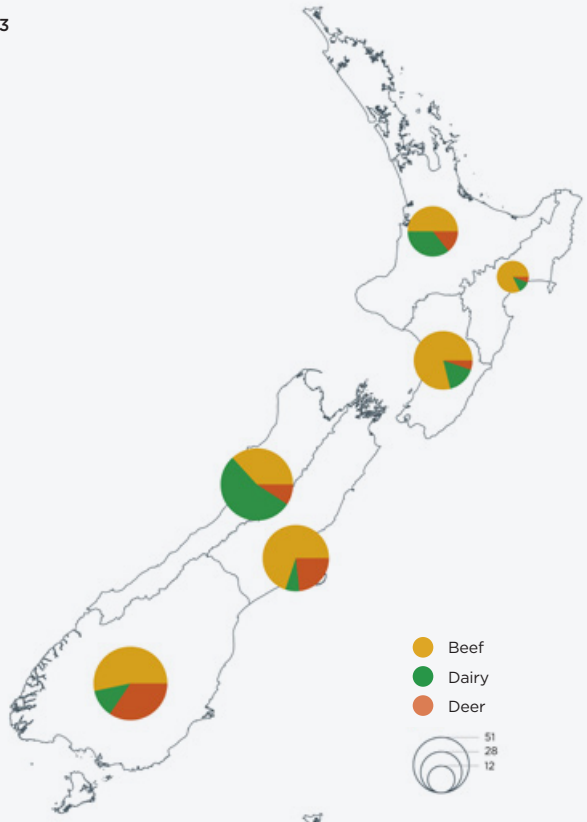
Figure 22: Annual TB infected herd prevalence (cattle and deer)

Table 7: Disease metrics over three different time periods for cattle and deer herds located in Vector Free Areas (VFA) and Vector Risk Areas (VRA)

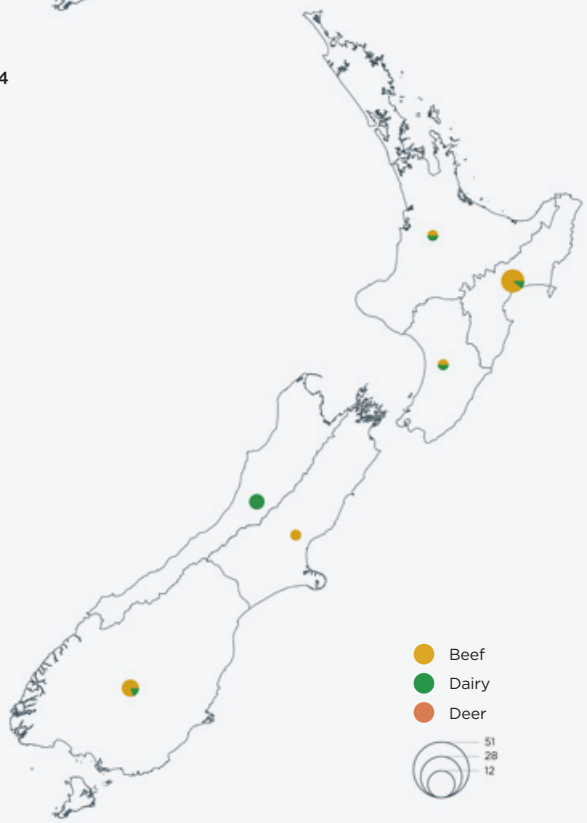
Vector area status	Infected herd period prevalence per cent			Herd breakdown rate per 1000 herds			Infected herd clearance per cent		
Period	1992/93	2002/03	2023/24	1992/93	2002/03	2023/24	1992/93	2002/03	2023/24
VFA	1.3%	0.15%	0.01%	6.8	0.73	0.10	68%	83.3%	70%
VRA	14.9%	3.8%	0.40%	50.3	13.21	1.20	32%	58.5%	48%
Total	**3.6%**	**0.91%**	**0.04%**	**13.4**	**3.3**	**0.19**	**42%**	**61.4%**	**55%**

Infected herd numbers have reduced over time

Map 5: Infected herds 2003



Map 6: Infected herds 2024



Livestock disease management

An effective livestock disease management programme is a key part of OSPRI's TB control and eradication effort and includes:

- disease surveillance through routine on-farm TB testing and post-mortem inspection of cattle and deer at slaughter
- TB diagnosis through approved laboratory testing
- effective case management of infected herds
- restricting the movement of at-risk livestock either at area or herd level.

Our response to a diagnosis of TB

If TB is diagnosed, a Restricted Place Notice under section 130 of the Biosecurity Act 1993 is placed on the herd. This restricts any movement of stock from the herd (except to slaughter) without a permit, limiting any spread of the disease.

The infected herd is case managed by an OSPRI team. The case management process involves tracing any livestock movements into and out of the herd prior to diagnosis. Any livestock identified as having moved out of the herd will be TB tested in their destination herd.

OSPRI uses both livestock movement information and DNA analysis of the TB organism to help determine whether TB has been introduced by livestock movement, or by contact with wildlife, or was potentially residual within the herd.

An important aspect of case management is working with the farmer to understand the cause of the disease and supporting the farmer to manage their herd through to TB freedom as quickly as possible. A herd cannot be declared free of TB until it has had at least two clear whole herd tests at a minimum of six months apart.

A key part of OSPRI's TB Plan is the restriction of livestock movement from infected herds and from designated Movement Control Areas where the TB risk from wildlife is considered high.

TB infected cattle herds

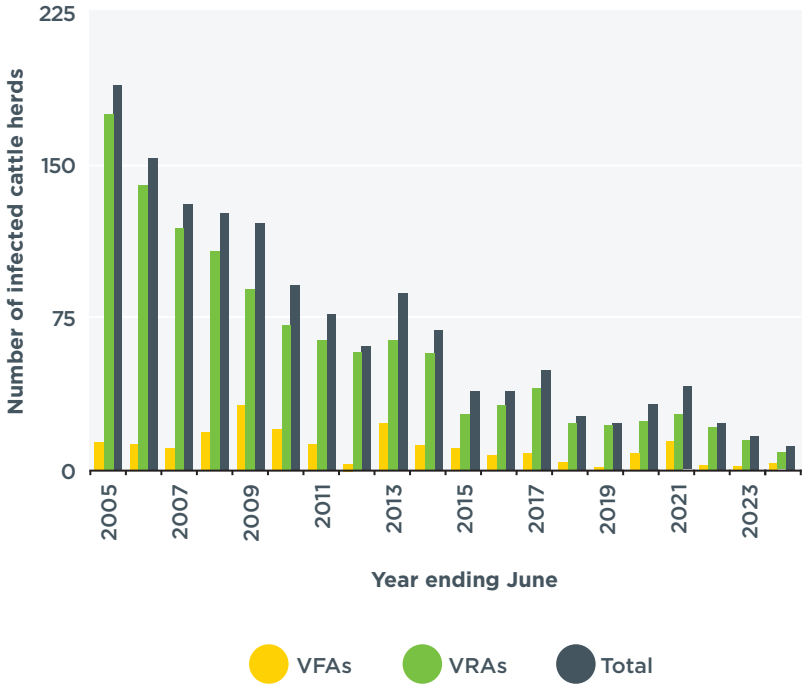
At 30 June 2024 there were 12 TB infected cattle herds (0.016% of total cattle herds), compared to 17 TB infected cattle herds at 30 June 2023, a reduction of 29.4%.

Of the 12 TB infected cattle herds at 30 June 2024:

- 50% (6) were beef long term grazing, meat production or beef breeding herds; 50% (6) were dairy production herds
- 16.7% were herds in the Hawke's Bay response area (2)
- 25% were herds in Waikato (4)
- 75% were in the North Island; 25% were in the South Island.

Figure 23 shows the change in TB infected cattle herd numbers since June 2005 by vector area status (VFA – Vector Free Area; VRA – Vector Risk Area).

Figure 23: Number of TB infected cattle herds at 30 June 2024



The cattle herd breakdown rate per 1,000 herds (new infected herds divided by total herds x 1,000) for 2023–2024 was 0.16, and the cattle herd clearance rate was 59%. These rates compare with a herd breakdown rate of 0.17 per 1,000 herds, and a clearance rate of 51% in 2022-2023.

During the year there were 33 existing and newly infected status herds, two less than in 2022–2023. In total, there were 37 tuberculous cattle confirmed during 2023-2024. This compares with a total of 94 tuberculous animals in the 2022–2023 year.

The sources of TB infection for existing and newly TB infected cattle herds this year are summarised by area status (VRA – Vector Risk Area; VFA – Vector Free Area) in Table 8.

Table 8: Sources of TB infection for cattle herds in the 12 months to 30 June 2024

	Cattle introduced from known infected herds	Contact with a neighbouring herd	Cattle introduced from clear herds	Residual herd infection	Contact with infected wild animal	Source yet to be determined
Newly infected herds in VFA		1	1	1	2	2
Newly infected herds in VRA			2		3	2
Existing infected herds	1		6	1	10	1
All infected herds	**1**	**1**	**9**	**2**	**15**	**5**

Cattle testing and reactors

Cattle testing data is summarised in Table 9, which compares the number of TB tests carried out on cattle and the number of reactors to tests, for five years from 2019–2020.

In the year to 30 June 2024, approximately 1.6 million cattle were tested using the intradermal caudal-fold tuberculin test (primary skin test). This is approximately 400,000 less than the number of cattle tested in the previous year.

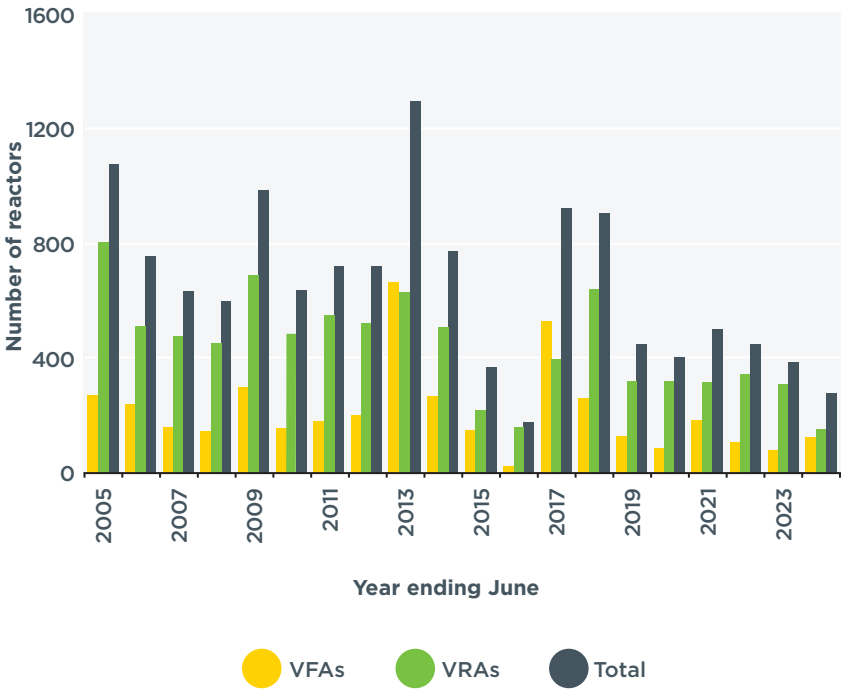
Serial ancillary (blood) tests were carried out on 1,968 cattle which had a positive reaction to the primary skin test. In addition, ancillary parallel gamma interferon blood tests were performed on 7,143 cattle that tested negative to the primary skin test for TB.

Table 9: Cattle TB test results for 2019-2020 to 2023-2024

Cattle testing	2019/20	2020/21	2021/22	2022/23	2023/24
Primary tuberculin tests on cattle	3,000,154	2,736,154	2,158,569	2,051,263	1,660,970
Primary test-positive cattle ancillary serial tested	4,174	3,536	3,402	2,875	1,968
Ancillary parallel tests on cattle	9,394	12,452	12,104	8,725	7,143
Total cattle reactors slaughtered	401	506	450	367	275
Total positive TB cattle reactors	84	62	73	83	34

The positive reactor number is added to the number of TB positive animals found at slaughter to get the total number of tuberculous animals.

Figure 24 shows the trend in cattle reactors from 2004–2005 to 2023–2024 by area status (VRA – Vector Risk Area; VFA – Vector Free Area)



Tuberculous cattle

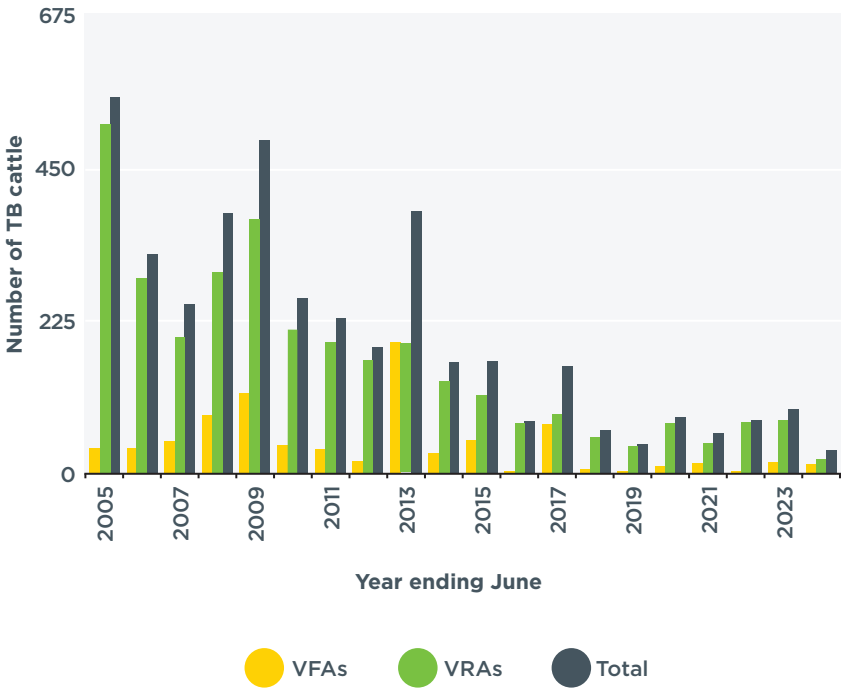
The number of tuberculous (confirmed infected with TB) cattle includes the total number of cattle (both TB test reactors and cattle found during routine slaughter) with gross TB-like lesions, or otherwise identified as infected following Polymerase Chain Reaction assay or culture of *Mycobacterium bovis* from tissues.

The total number of tuberculous cattle during 2023-2024 is made up of:

- 34 (12.4%) of the 275 reactors slaughtered showed visible TB lesions or had lesions sampled that were confirmed as being infected with *Mycobacterium bovis*
- three cattle identified during routine slaughter as having bovine tuberculosis (0.1 per 100,000 cattle slaughtered, based on 2.71 million cattle slaughtered in 2023-2024).

Figure 25 illustrates the long-term trend for TB found in cattle from 2004–2005 to 2023–2024 by area status (VRA – Vector Risk Area; VFA – Vector Free Area) and shows the overall decline in the number of TB cattle, despite variable spikes in 2008–2009 and 2012–2013. This mirrors that for reactors.

Figure 25: Number of tuberculous cattle

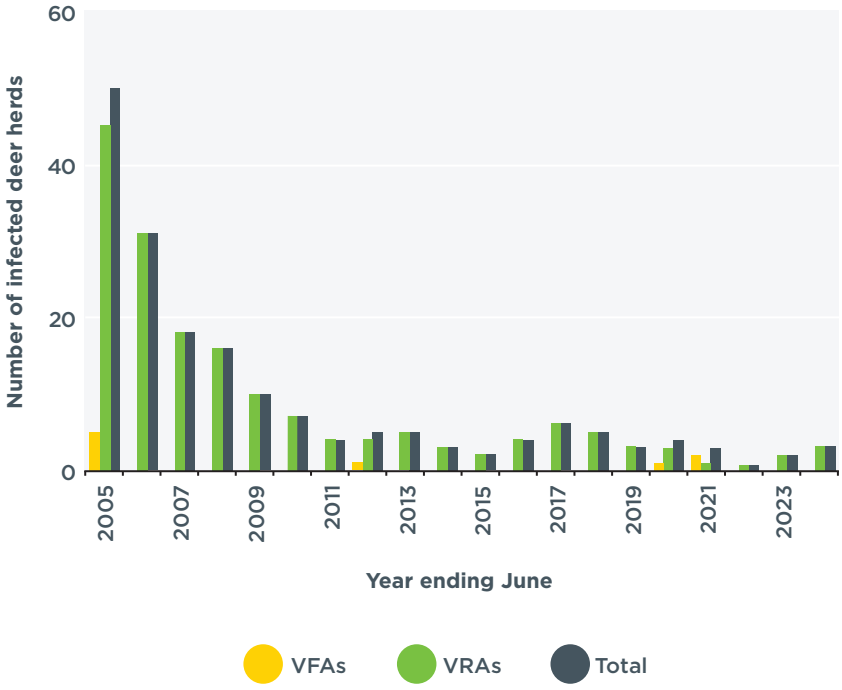


Infected deer herds

At 30 June 2024, there were three infected deer herds (0.15% of total deer herds), compared to two herds at 30 June 2023. Figure 26 shows the change in the number of infected deer herds between June 2005 and June 2024 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

The deer herd breakdown rate per 1,000 herds (new infected herds divided by total herds x 1,000) for 2023-2024 was 1.03, and the deer herd clearance rate was 25%. During the year there were four existing and newly infected status deer herds, one more than the 2022–2023 year.

Figure 26: Number of infected deer herds at 30 June 2024



Deer testing and reactors

Deer testing data is summarised in Table 10, which compares the number of TB tests performed and the number of reactors to tests for five years from 2019–2020. In the year to 30 June 2024, 100,027 primary mid-cervical intradermal tuberculin tests (skin tests) were performed on deer compared to 110,895 in the previous year.

Serial ancillary (blood) tests were carried out on 199 deer positive to the primary skin test compared with 333 ancillary parallel tests performed on deer in 2022–2023. As a result of these tests 39 deer were declared as reactors and were slaughtered. On slaughter, 22 animals with TB lesions were found.

Table 10: Deer TB test results for 2019-2020 to 2023-2024

Deer testing	2019/20	2020/21	2021/22	2022/23	2023/24
Primary tuberculin tests on deer	170,671	146,666	137,550	110,895	100,027
Primary test-positive deer ancillary serial tested	955	1,005	459	333	199
Ancillary parallel test-positive deer	0	0	0	0	0
Total deer reactors slaughtered	114	56	10	11	39
Total positive TB deer reactors	3	2	0	4	22

The positive reactor number is added to the number of TB positive animals found at slaughter to get the total number of tuberculous animals.

Figure 27 shows the trend in deer reactors from 2004–2005 to 2023–2024 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

Figure 27: Number of deer reactors

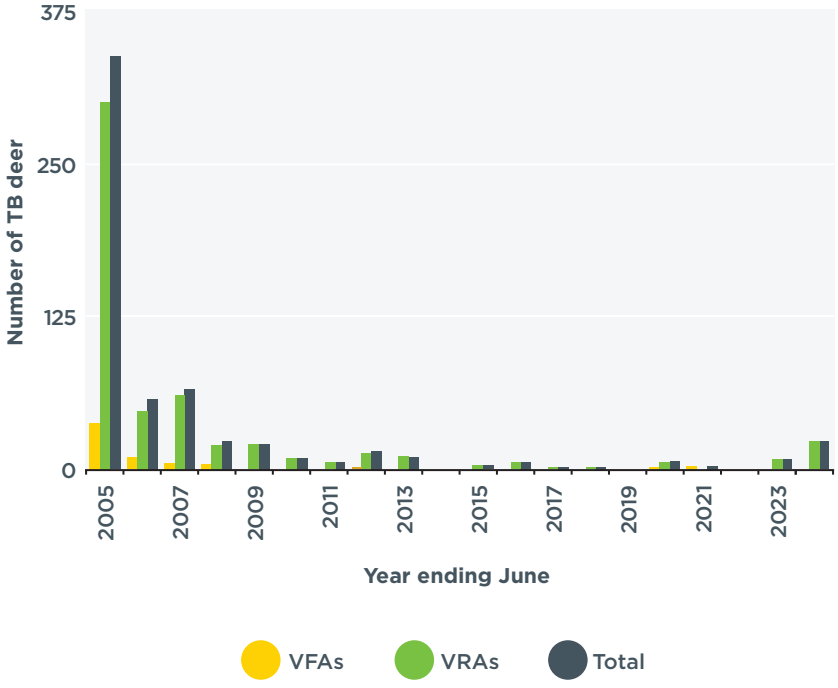
Tuberculous deer

The number of tuberculous deer includes the total number of deer (including reactors and deer found during routine slaughter) with gross TB-like lesions, or otherwise identified as infected following Polymerase Chain Reaction assay or culture of *Mycobacterium bovis* from tissues.

As well as 22 reactor animals found to have TB, bovine tuberculosis was also identified in one deer during routine slaughter (0.4 per 100,000 deer slaughtered, based on 261,734 deer slaughtered in 2023–2024).

During 2023–2024, there were 23 deer confirmed to be infected. Figure 28 shows the trend in the number of tuberculous deer between 2004–2005 to 2023–2024 by area status (VRA – Vector Risk Area; VFA – Vector Free Area).

Figure 28: Number of tuberculous deer



TB surveillance and monitoring programme

For the TB surveillance programme, areas of New Zealand are categorised into Disease Control Areas, with different types of TB testing regimes based on the risk of infection.

- Movement Control Areas (MCA) are implemented to minimise the risk of TB spread through the uncontrolled movement of infected livestock from areas considered at greatest risk of vector-related infection. All cattle or deer over three months of age that move from, or within, an MCA must have been negative to a pre-movement test within 60 days prior to being moved.
- Special Testing Areas (STA) and Surveillance Areas are defined geographical areas where the frequency of cattle and deer testing is determined by the area's risk, or the need to obtain surveillance data for Proof of Freedom purposes.

As TB is progressively reduced or eradicated in each area, the definition and boundary of each Disease Control Area is reviewed

Disease Control Area changes

On 1 February 2024 we reduced the size of MCAs near Napier, Moonshine, Kaikōura, and in the coastal Buller region. It was considered there is reduced risk/likelihood of infection in livestock caused from vector related infection in these locations.

This change will result in approximately 600 herds no longer requiring pre-movement testing and the age of animals required to be tested increasing from 3 months up to 12 months of age. It is expected the MCA changes will bring about a reduction of approximately 13,000 pre-movement tests annually across the affected areas.

In another 61 areas of New Zealand, we changed the frequency of testing and age categories of stock to test. The impact of changes in these areas is expected to be testing reductions affecting 1,750 herds and a reduction of approximately 85,000 tests annually across the affected areas.

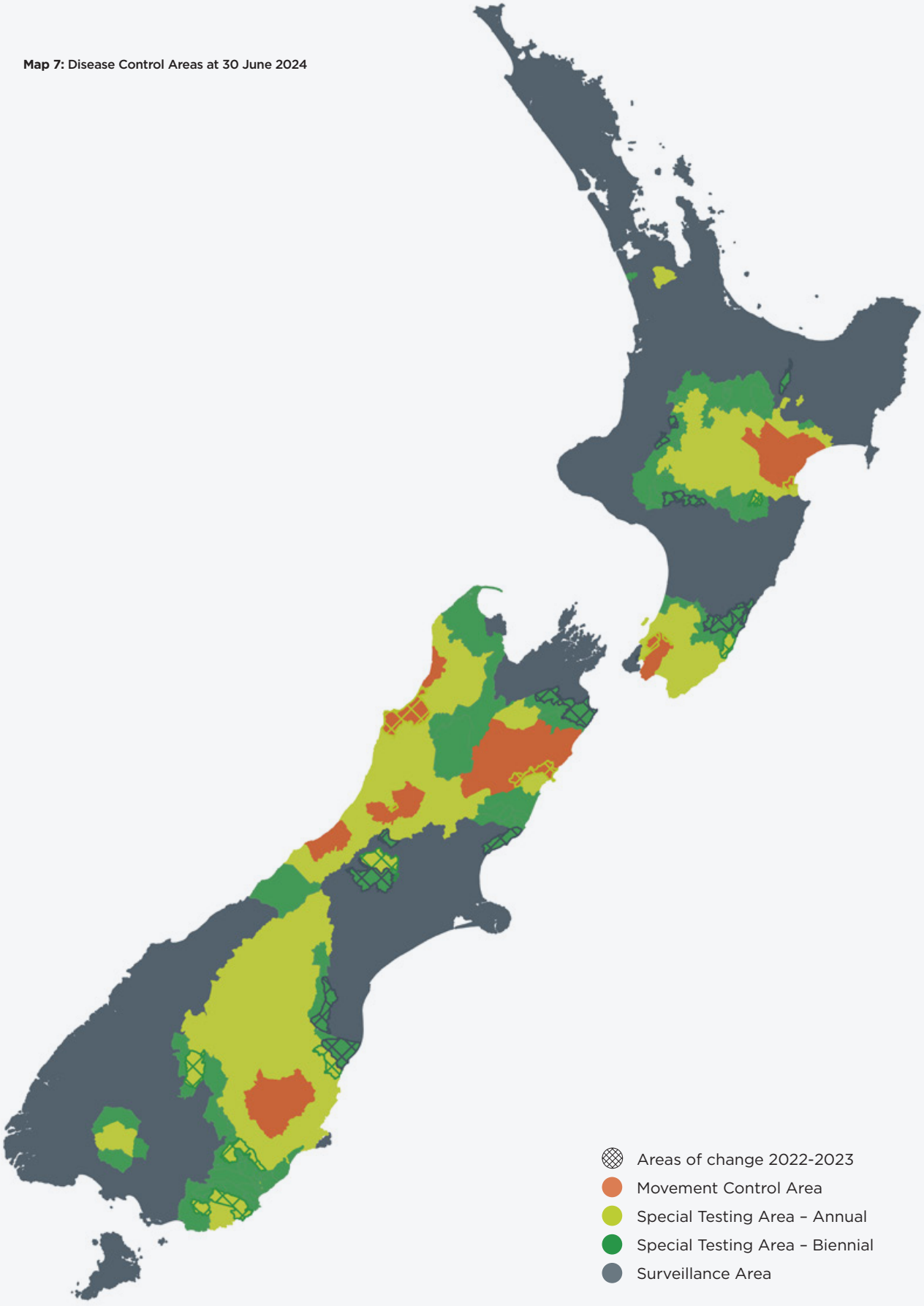
The numbers of cattle and deer herds and infected herds by Disease Control Area type (MCA – Movement Control Area, STA – Special Testing Area) is provided in Table 11.

The Disease Control Areas Map 7 shows which testing regime an area is under at 30 June 2024 and the changes that were made this year.

Table 11: Total cattle and deer herds and infected herds by Disease Control Area type

	MCAs	STAs (annual and biennial)	Surveillance Areas	Offshore islands (Chatham)	New Zealand
Total herds at June 2024	1,234	12,840	60,962	71	75,107
Cattle and deer infected herds during 2023–2024	16	15	6	0	37

Map 7: Disease Control Areas at 30 June 2024



Wildlife disease management

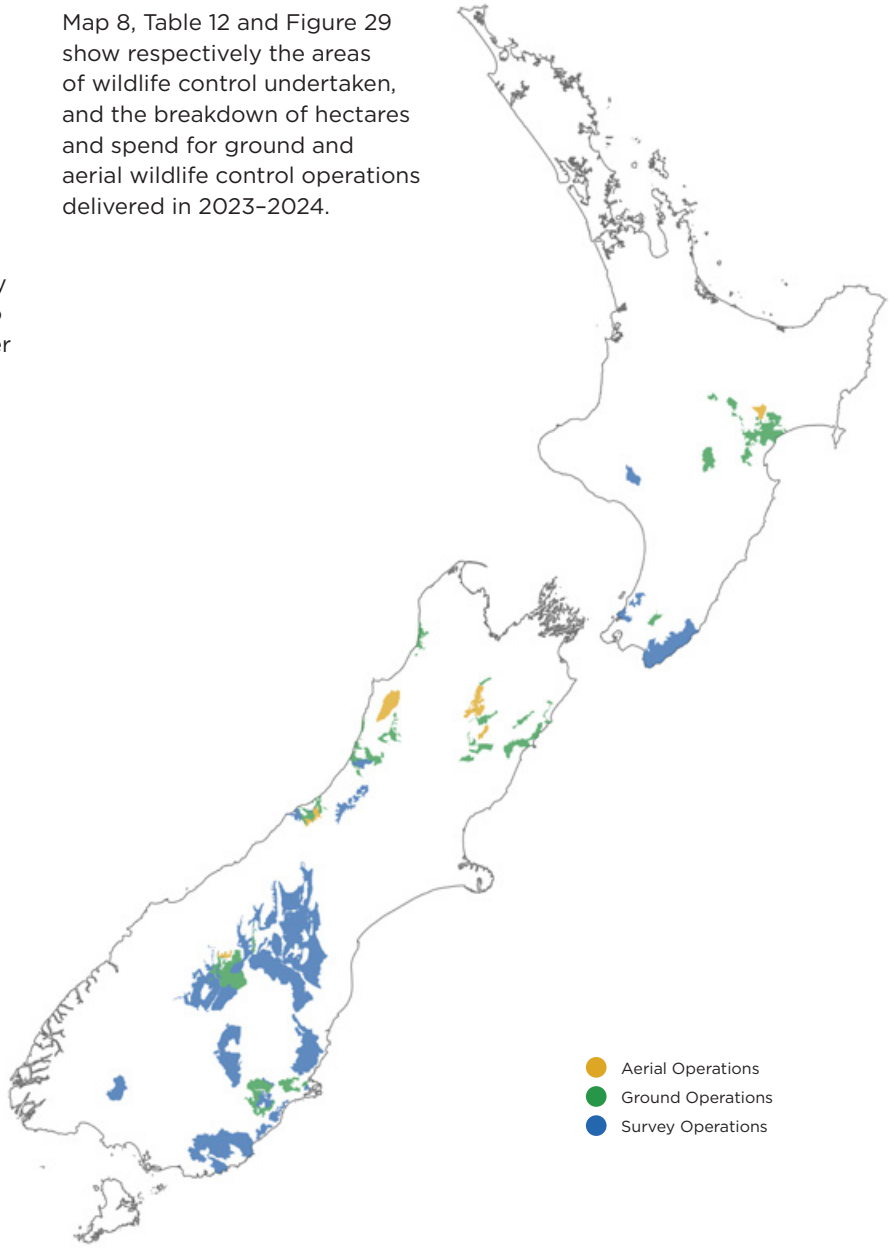
Contact with TB-infected wildlife – mostly possums – is the main cause of livestock TB in New Zealand. Possum control, along with surveys for TB in other wildlife species, is the largest component of the TBfree programme.

Possum control operations are designed to reduce possum population densities to prevent further transmission of TB between possums and from possums to livestock.

Eradication of TB is achieved by reducing the possum density to very low (about one possum per 10 hectares) for a period of at least five years.

This low density means the disease is unable to be maintained within possum populations and will subsequently disappear both from possums and eventually other wildlife.

Map 8, Table 12 and Figure 29 show respectively the areas of wildlife control undertaken, and the breakdown of hectares and spend for ground and aerial wildlife control operations delivered in 2023–2024.



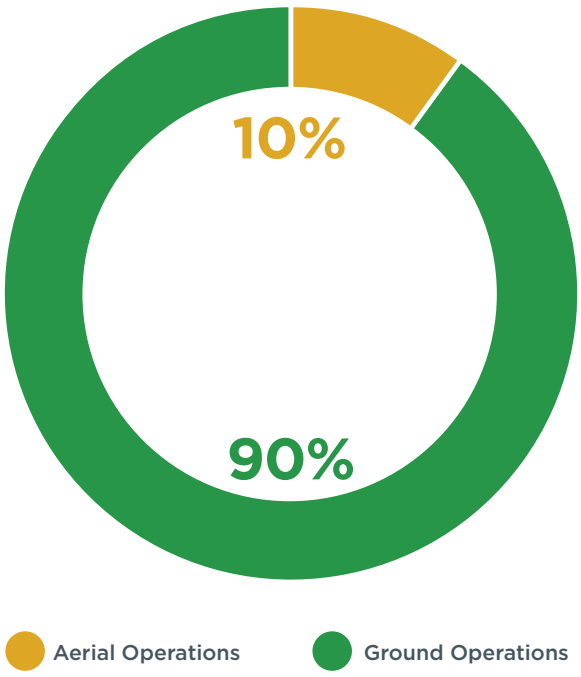
Map 8: Map of 2023-2024 wildlife control

Table 12: Breakdown of national ground and aerial control operations by area and spend

	Total hectares	Spend
Ground Operations (including surveillance)	2,639,567 hectares **90%**	$18,922,658 **62%**
Aerial Operations	308,823 hectares **10%**	$11,722,532 **38%**
Total	**2,948,390 hectares**	**$30,645,190**

Possum control is mostly done using ground-based traps and hand-laid toxins, however in some parts of New Zealand, the most efficient way to control the possum population is through aerial control with helicopters delivering the toxin.

Figure 29: Area proportion of ground and aerial control operations



Wildlife surveys

An important aspect of the TBfree programme is surveying wildlife to detect whether TB is still present following a period of sustained possum control. This involves trapping or culling possums and other sentinel species, such as pigs and ferrets, followed by necropsy examination and analysis. The results are used to help determine whether freedom from TB within designated areas has been achieved, or if further control work is needed. We expect to find few – if any – TB-infected possums or other wildlife in these surveys, as significant possum control effort has already been undertaken.

Wild animals sampled in 2023–2024 and the number and percentage that were TB positive are shown in Table 13.

Table 13: Number of wild animals in 2023/24 sampled by species, and the number and percentage found to be infected with *Mycobacterium bovis*

	Possums	Wild pigs	Wild deer	Ferrets	Others
Number sampled	653	1403	0	1950	2
Number (%) with TB	0	6	0	8	0
	(0%)	**(0.43%)**	**(0%)**	**(0.41%)**	**(0%)**

Reduction of Vector Risk Areas

Meeting the TB Plan's objectives requires the progressive reduction in size of Vector Risk Areas – where TB is thought to be present in possums and other wildlife – and the prevention of wildlife TB becoming established in Vector Free Areas.

Process for Vector Risk Area reduction

For an area to have its Vector Risk Area status revoked, an expert, independent review panel must agree that the evidence indicates a very high probability of freedom from TB in the possum population. This decision is mainly based on:

- qualitative data on the area's TB history, the effectiveness of possum control and the results of wildlife surveys
- quantitative data that includes the outputs from a Spatial Possum Model and Bayesian-based software (Proof of Freedom utility) that indicates there is 95% probability that TB has been removed from the possum population
- risk assessment that evaluates the risks and potential costs of making a wrong decision.

This year's Vector Risk Area reductions

In 2023–2024, the Chief Executive of TBfree New Zealand Limited approved the revocation of Vector Risk Area status for seven Vector Control Zones totalling approximately 200,526 hectares. This consisted of reductions of 156,375 hectares in the Upper South Island (four Vector Control Zones), and 44,151 hectares in the Lower South Island (three Vector Control Zones).

Hectare Change

The total amount of Vector Risk Area reduction since 2011 is 4.2 million hectares over 292 Vector Control Zones. 6.1 million hectares of Vector Risk Area remain in New Zealand at 30 June 2024.

Map 9 shows the total Vector Risk Area reductions since 2011 at 2024.

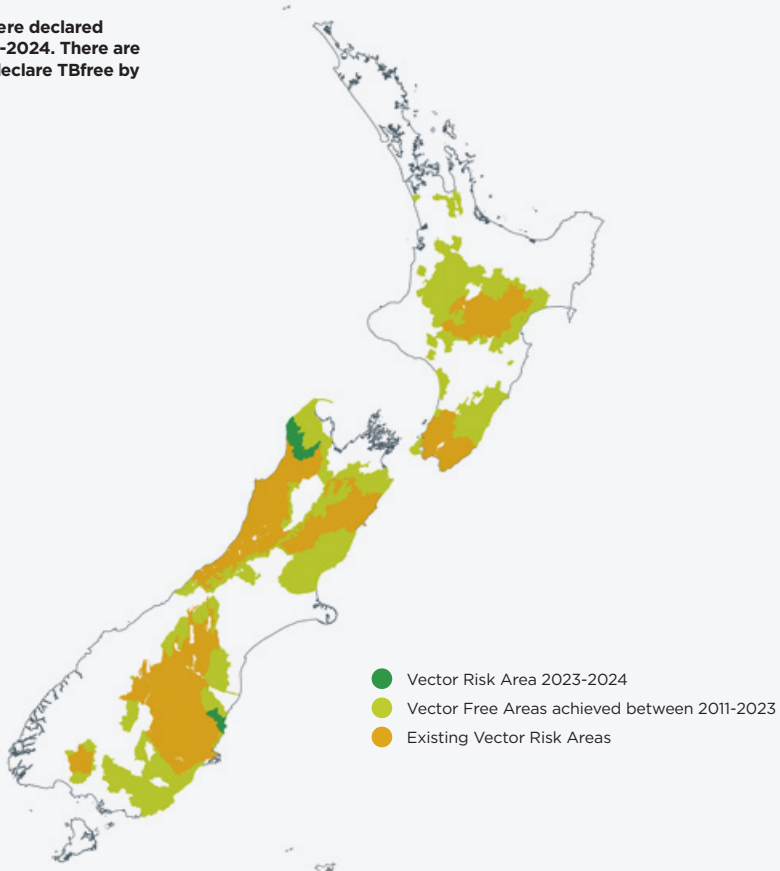
Map 10 shows the area target dates for eradication of TB from possums.

Table 14 details the seven Vector Control Zones that achieved cancellation of Vector Risk Area status during 2023–2024.

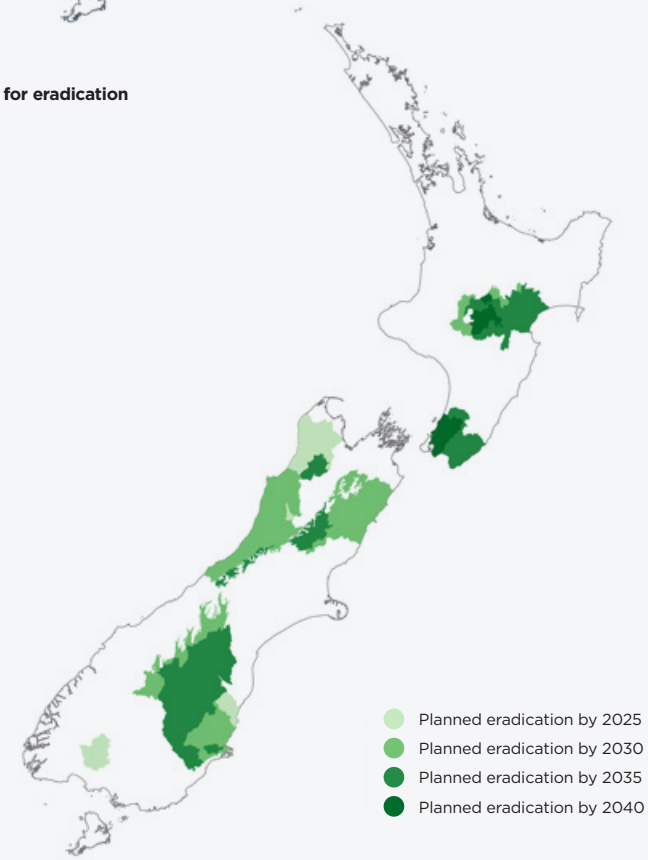
Table 14: Cancellation of Vector Risk Area status from seven Vector Control Zones

VCZ	Area hectares
Heaphy Lowlands	37,999
Kakapo	53,271
Mount Arthur	15,148
Oparara	49,957
Upper South Island Total	**156,375**
Hampden	3,343
Moeraki	15,008
Mount Stalker	25,800
Lower South Island Total	**44,151**
NZ Revocation Total	**200,526**

Map 9: 200,526 hectares were declared free of TB infection in 2023-2024. There are 6.1 million hectares left to declare TBfree by the target date of 2040



Map 10: Area target **dates for eradication of TB from possums**



Research supports the design and performance of our programmes

Evolution of our research programme

OSPRI has had a significant research programme for more than 20 years. With OSPRI's programme goals well established, the focus for research is informing and supporting the design and performance of OSPRI's disease management and traceability programmes.

Our research is focused on the development and implementation of new tools and processes for cost-effective possum control, possum and livestock surveillance, and disease diagnostics aligned with the current eradication strategy.

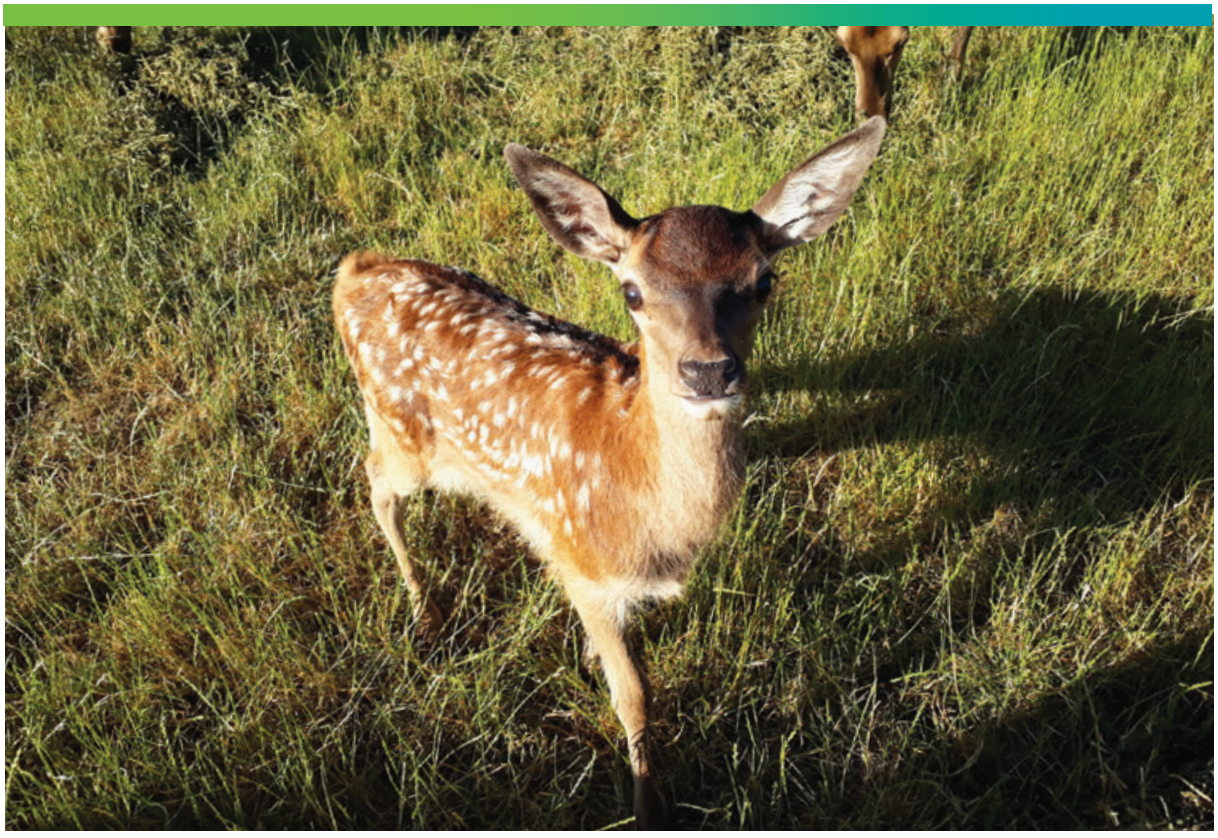
This year we have established an internal Research Advisory Group, with a membership from across OSPRI's programmes. Its responsibilities are to:

- identify and evaluate research opportunities, and propose research projects for approval
- monitor and report on research progress, including close out reporting.

Objectives of our research strategy

Our research strategy has four areas of focus:

- rapid disease diagnostic tests
- cost-efficient control and surveillance at landscape scale
- operationalisation of research
- livestock traceability.



Research in progress

Table 15: Current research projects at June 2024

Research area	Description	Benefits
Rapid diagnostic tools to test for TB in samples	Further development of nanopore technology methods to sequence and identify TB in samples. We continued to review the alternative PCR test, validated in a previous year, to ensure it is sufficiently robust to identify TB in lesions. Cattle sampling and testing has been completed and deer testing has started.	Both the GeneXpert and nanopore technology trials support OSPRI's continuing push towards cost reduction, efficiency and increased accuracy in diagnosis and surveillance of TB in livestock.
Long-life surveillance cameras	We are calibrating the remote lures and cameras against traditional monitoring methods. The remote monitoring tools can be deployed in the bush for months at a time without requiring servicing.	The goal is to be able to leave long-life lures in the bush for years to provide post-control possum density monitoring, thereby helping us to determine the likelihood that disease has died out in the possum population or whether further control is required.
Scenario tree model for risk-based testing	Creating a model to help inform policy decisions about the frequency of testing.	This tool will help to continually refine our risk-based testing policy. It could also be used later to provide confidence New Zealand is free of bovine TB in livestock.
Re-coding the spatial possum-TB model	This is a model that simulates population and TB dynamics of possums and it requires some re-design and re-coding.	The model is used to simulate past possum control activities in Vector Control Zones to determine the probability that TB no longer persists. This is then used for the Proof of Freedom assessment process.

Summary consolidated financial statements

Governance

The OSPRI Board of Directors is responsible for, and committed to, maintaining the highest standards of corporate governance, ensuring transparency and accountability to shareholders and stakeholders.

Nomination and appointment of directors

Procedures for the appointment and removal of directors are governed by the constitutions of OSPRI New Zealand Limited and its subsidiary companies, TBfree New Zealand Limited, National Animal Identification and Tracing (NAIT) Limited, and *M. bovis* Free New Zealand Limited (the Group).

In respect of OSPRI New Zealand Limited, all director positions are approved by shareholders after recommendation by the four-person Director Assessment Panel. The Director Assessment Panel comprises one member of the Stakeholders' Council, two persons collectively nominated by shareholders, and one independent person nominated by the other Director Assessment Panel members.

The maximum term for which a director may be appointed to the OSPRI Board is three years. A director is eligible for reappointment after the expiry of his or her term of appointment but cannot hold office for a continuous period of more than nine years unless shareholders and the Director Assessment Panel agree in writing that exceptional circumstances warrant a longer continuous period.

OSPRI New Zealand Limited, as sole shareholder, appoints directors to the boards of each of the three subsidiaries.

Director changes during the year

At the Annual Meeting on 17 November 2023 Michael James, Susan Huria and Nicole Davies-Colley were each reappointed as a director of OSPRI for a term of three years from the conclusion of the 2023 Annual Meeting. The OSPRI Board subsequently reappointed each as a director of the three subsidiary companies for a term of three years.

Barry Harris ceased being a director of OSPRI and its subsidiaries at the conclusion of the Annual Meeting on 17 November 2023. Paul Reynolds took over the role of Board Chair from that date.

Associate Director

Lisa Kearins was appointed under the OSPRI Associate Director programme in April 2023, until November 2024. The Associate Director programme aims to develop future directors by providing an opportunity for individuals interested in becoming directors to attend and participate in the board meetings of OSPRI New Zealand Limited and its subsidiaries, to build their governance skills.

Board Observers

Two observers attended Board meetings during the year. Kelvan Smith represents the Ministry for Primary Industries and has been an observer for the full year, and Hugh Martyn represents shareholders and attended from 1 April. Mr Martyn has chaired the Board's ISSP Committee since it commenced meeting in May 2024.

Board Committees

The Board has established the following committees to examine proposals and make recommendations.

Audit and Risk Committee

The Audit and Risk Committee's responsibilities include the following:

- review of external and internal auditors; liaison with auditors; review of the annual audit plans and auditors' letters of engagement or terms of reference as relevant; review of audit findings and monitoring of actions
- review of half-yearly and annual financial statements
- review of accounting policies, the adequacy of the internal control structure and associated organisational policies; providing advice to the Board and recommending and monitoring any remedial action plan in respect of any significant non-compliance with policies
- review and monitoring of legislative and statutory compliance processes
- supervision of any special investigations requested by the Board
- oversight of the risk management system for the company
- review of all whistle blowing matters raised and escalating these to the full Board.

People and Culture Committee (previously known as the HR Committee)

The objectives and role of the People and Culture Committee are to assist the Board to fulfil its responsibilities in relation to setting and reviewing policies and standards for employees relating to remuneration and employment practices of OSPRI and its subsidiaries. The Committee also oversees the OSPRI Associate Director Programme.

ISSP Committee

The Board set up the ISSP Committee in May 2024 with the initial purpose of being the steering committee for:

- delivery of the independent review report on ISSP to the Board.
- delivery of the Information Systems Strategic Plan.

The long-term purpose of the ISSP Committee will encompass the wider IT platform strategy for the organisation.

Board and Committee meetings

The Board met ten times during the 2023-2024 financial year, both in person and online. The following tables show attendance at all Board meetings and Committee meetings during the year ended 30 June 2024.

Members of the Audit and Risk Committee during the year were Michael James (Chair), James Parsons, Nicole Davies-Colley, and Paul Reynolds.

Members of the People and Culture Committee during the year were Fenton Wilson (Chair), James Parsons, and Susan Huria.

Members of the ISSP Committee (set up May 2024) were Hugh Martyn (Chair, Observer), Susan Huria, James Parsons, Michael James (from mid-June 2024).

The chairman of the Board is an ex-officio member of all Committees of the Board.

Director	Board meetings	A&R Committee meetings	P&C Committee meetings	ISSP Committee meetings
Paul Reynolds (Chair of the Board)[9]	10	4	1	1
Fenton Wilson (Chair of the People and Culture Committee)	10	2	2	–
James Parsons	9	4	2	3
Michael James (Chair of the Audit and Risk Committee)	9	4	2	1[10]
Nicole Davies-Colley	8	3	1	–
Susan Huria	10	2	3	3
Barry Harris (Chair of the Board)[11]	4	1	–	–

Observers and Associate Director	Board meetings	A&R Committee meetings	P&C Committee meetings	ISSP Committee meetings
Kelvan Smith	8	–	–	–
Hugh Martyn[12] (Chair of the ISSP Committee)	2	–	–	4
Lisa Kearins	10	3	2	–

9 Chair from 17 November 2023.

10 Member of the ISSP Committee from mid-June 2024.

11 Ceased being a director on 17 November 2023.

12 Observer representing shareholders from 1 April 2024.

Remuneration report

Directors' remuneration

Directors' fees

These fees have been applied for the year from 1 July 2023 to 30 June 2024; the amount of the directors' fees pool was set by shareholder resolution at the 2023 Annual Meeting.

Position	2023/24	2022/23
Chair	$78,000	$78,000
Director	$43,000	$43,000
Committee Chair	$6,000	$6,000
NAIT Data Access Panel member[13]	$6,000	$6,000

Remuneration details of directors

Details of the total remuneration and the value of other benefits received by each OSPRI director for the 2023-2024 financial year are provided below. Directors' fees exclude GST where appropriate. In addition, Board members are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Some Board members were remunerated as members of the NAIT Data Access Panel (set up under the National Animal Identification and Tracing (Information System Access Panel) Regulations 2012).

Director	Position	2023/24 Fees	2022/23 Fees
B Harris	Chair (to 17 November 2023)	$29,683	$78,000
P Reynolds	Director / Chair (from 17 November 2023)	$64,680	$26,517
F Wilson	Director Chair of the People and Culture Committee Member of the NAIT Data Access Panel	$55,000	$55,000
J Parsons	Director Member of the NAIT Data Access Panel	$49,000	$49,000
N Davies-Colley	Director Member of the NAIT Data Access Panel	$49,000	$49,000
S Huria	Director	$43,000	$43,000
M James	Director Chair of the Audit and Risk Committee	$49,000	$49,000
Total		**$339,364**	**$349,517**

13 The Panel is established by regulation 4(1) of the National Animal and Tracing (Information System Access Panel) Regulations 2012 and considers applications from third parties to be provided with NAIT data, if certain statutory prerequisites are met.

Payment details for Board observer

Payments made to the Board observer representing shareholders for the 2023-2024 financial year are provided below, excluding GST. In addition, the shareholders' observer is reimbursed for travel costs. The Board observer representing MPI, and the Associate Director are not paid by OSPRI, except for travel expenses and a contribution towards a training course for the Associate Director.

Observer	Position	2023/24 Fees	2022/23 Fees
H Martyn	Observer representing shareholders Chair of the ISSP Committee	$12,250	–

Employee remuneration

The table below shows the number of OSPRI employees who received remuneration and other contracted benefits (including redundancy or termination payments) during 2023-2024 of at least $100,000.

The remuneration figures analysed include all monetary payments actually paid during the course of 2023-2024 whether in respect of 2023-2024 or other periods.

Remuneration bands	# employees 2023/24	# employees 2022/23
$100,000–$109,999	14	13
$110,000–$119,999	11	5
$120,000–$129,999	5	7
$130,000–$139,999	5	5
$140,000–$149,999	1	4
$150,000–$159,999	6	5
$160,000–$169,999	3	3
$170,000–$179,999	6	0
$180,000–$189,999	1	3
$190,000–$199,999	0	2
$200,000–$209,999	2	1

Remuneration bands	# employees 2023/24	# employees 2022/23
$210,000–$219,999	3	0
$220,000–$229,999	1	1
$230,000–$239,999	0	1
$240,000–$249,999	0	0
$250,000–$259,999	0	2
$260,000–$269,999	1	1
$270,000–$279,999	1	0
$280,000–$289,999	1	0
$420,000–$429,999	0	1
$580,000–$589,999	1	0
Total	**62**	**54**

Auditor's remuneration

BDO was appointed auditor of the OSPRI Group for 2023-2024 at the 2023 Annual Meeting. The following costs for audit fees were incurred by OSPRI New Zealand and its subsidiaries during the 2023-2024 and 2022-2023 years.

Year	For audit work	For other work
2023/24	$74,000	0
2022/23	$48,000	$16,500

Statutory disclosures

Disclosures of interests by directors

The following are particulars of general disclosures of interest by directors holding office as at 30 June 2024, pursuant to section 140(2) of the Companies Act 1993. Each such director will be regarded as interested in all transactions between OSPRI and the disclosed entity. "Associated entities" refers to non-operating and related subsidiaries.

Dr P H S Reynolds QSO	
AgResearch Limited	Chair
Landcare Research New Zealand Limited	Deputy Chair
M. bovis Free New Zealand Limited	Chair
National Animal Identification and Tracing (NAIT) Limited	Chair
TBfree New Zealand Limited	Chair

F D Wilson	
Centralines Limited	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Oruru Land Company Ltd	Beneficial Shareholder/Director
Predator Free New Zealand Trust	Trustee
Quality Roading and Services (Wairoa) Limited	Director
Real Estate Agents Act 2008	Property Brokers Licensee
TBfree New Zealand Limited	Director

J R Parsons	
AgFirst Northland Limited	Director/Shareholder
Ashgrove Limited and associated entities	Director/Shareholder
Halter Inc	Advisor
Lincoln University Council	Member
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
TBfree New Zealand Limited	Director
Trevear Limited	Director/Shareholder
Wools of New Zealand Holdings Limited and associated entities	Chair/Shareholder
Wools of New Zealand Limited Partnership	Chair

M B James	
Aotearoa Clinical Trials Trust	Trustee
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Naylor Love Enterprises Limited and associated entities	Director
TBfree New Zealand Limited	Director

N P Davies-Colley	
Kensington Hospital Limited	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Ngarakau Family Trustee Limited	Director/Shareholder
TBfree New Zealand Limited	Director
The Tree People Limited	Shareholder
Tiaki Plantations Company	Chair

S M Huria ONZM	
Accessible Properties New Zealand Limited and associated entities	Director
Leaderbrand Holdings Limited and associated entities	Chair
M. bovis Free New Zealand Limited	Director
National Animal Identification and Tracing (NAIT) Limited	Director
Rawa Hohepa Limited	Director/Shareholder
Royal College of General Practitioners	Director
Susan Huria Associates (2003) Limited	Director/Shareholder
TBfree New Zealand Limited	Director
Trust Investments Management Limited	Director
Veterinary Enterprises Group Limited	Shareholder

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, OSPRI has continued to indemnify and insure its directors and officers, including directors of subsidiary and associated companies, against potential liability or costs incurred in any proceeding, excluding actions for gross negligence, criminal liability, breach of fiduciary duty or breach of directors' duties.

Subsidiary company directors

Currently all companies of the Group share all directors in common. Directors' fees are paid by OSPRI, and directors' costs are allocated across the Group.

Subsidiaries

OSPRI has the following subsidiaries:

Name	Holding	Principal Activity	Charity #
M. bovis Free New Zealand Limited	**100%**	Implementation of the surveillance programme for *Mycoplasma bovis*	**CC61116**
National Animal Identification and Tracing (NAIT) Limited	**100%**	Implementing and maintaining the animal identification and tracing scheme	**CC47735**
TBfree New Zealand Limited	**100%**	Implementation of the National Pest Management Plan for Bovine Tuberculosis	**CC49248**

None of the subsidiaries is equity accounted as they are charitable entities. OSPRI will neither receive any future tangible financial benefit from any subsidiary nor will OSPRI be entitled to any distributions on winding up.

Stakeholders' Council

The Stakeholder's Council (the Council) performs the functions and powers required of it under the second schedule of OSPRI's constitution, which are to:

- convey stakeholders' views to the Board
- participate in consultation on Board membership, succession planning and the assessment and recommendation to shareholders of persons for appointment or election as directors
- provide oversight on the performance and effectiveness of the Board
- review and comment on the Group's long-term objectives and strategies, discuss with the Board the Group's performance in achieving those objectives and strategies including review of Board reports, and report to shareholders on the Group's direction, performance and operations
- support the Board, including in relation to the procurement of funding for the Group
- consider and propose constitution changes
- prepare the Council's financial year programme and budget and report on Council activity.

The Stakeholders' Council representatives during 2023-2024 were:

Stakeholder	Representative
Beef + Lamb New Zealand	Scott Gower
Dairy Companies Association of New Zealand	Shane Lodge
DairyNZ	Chris Lewis (from November 2023) Ian Brown (to November 2023)
Deer Industry New Zealand	No representative (Feb – June 2024) Innes Moffat (to February 2024)
Department of Conservation	Ben Reddiex (from February 2024) Marie Long (to February 2024)
Federated Farmers Dairy	Karl Dean
Federated Farmers Meat and Wool	Sam Hain (from November 2023) William Beetham (to November 2023)
Local Government New Zealand	Nicol Horrell
Meat Industry Association of New Zealand	Sirma Karapeeva
Ministry for Primary Industries	Dr Mary van Andel
New Zealand Deer Farmers' Association	Craig North (from December 2023) Justin Stevens (to December 2023)
New Zealand Stock and Station Agents' Association	Steve Morrison
Predator Free 2050	Estelle Pera-Leask
Road Transport Forum	Don Wilson

James Buwalda is the independent Chair of the Stakeholders' Council. The Chair's fees in the 2023-2024 year totalled $44,000.

Consolidated Statement of Service Performance

For the year ended 30 June 2024

The following is a description of OSPRI New Zealand Limited's ('OSPRI') strategic outcomes: TBfree New Zealand Limited's ('TBfree') overall outcome is to continue reduction of measurements with the goal of eradicating bovine tuberculosis (TB) from cattle and deer by 2026, possums by 2040 and biological eradication of TB by 2055. National Animal Identification and Tracing (NAIT) Limited ('NAIT') is committed to ensuring all cattle and deer are recorded and traced effectively throughout their lives. *M. bovis* Free New Zealand Limited's ('*M. bovis*') overall outcome is to eradicate Mycoplasma bovis from New Zealand. Operational work centres on surveillance of the national herd through continued milk and abattoir testing, managing properties with infected cattle, and supporting affected farmers.

This report has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting. The Board of OSPRI believes that the statements contained in this report accurately reflect the overall performance of OSPRI for the year ended 30 June 2024.

Outputs	Measures	2024 Outcome	2023 Outcome
The number of bovine TB infected status cattle or deer herds.	The infected herd status is recorded in the OSPRI Operational Management System (OOMS) and stored in OSPRI databases. They can be accessed via a Power BI tool and reports directly out of OOMS. Numbers were recorded as at 30 June.	15	19
The total hectares of TB Vector Risk Area declared free of bovine TB in each financial year.	Number of hectares (within +/– 5%) where eradication has been achieved and reclassified from a Vector Risk Area to a Vector Free Area. This is an annual assessment by an independent panel and confirms whether we have proved, to 95% probability, the eradication of TB infection from Vector Risk Areas (areas where wildlife has been or remains infected with TB).	200,526	194,068
Completion of planned vector operations contracts in the financial year on time.	Percentage of vector operation projects completed during the year on time.	69%	73%
Completion of planned vector operations contracts in the financial year within budget.	Percentage of vector operation projects completed during the year within budget.	85%	72%
Annual infected herd period prevalence.	Annual period prevalence of TB infection in deer and cattle herds as a percentage of herds. Period prevalence is calculated by the total number of infected herds in a given period divided by non-infected herds at the beginning of the financial year plus non-infected herds at the end of the financial year divided by two. The calculation inputs are from OOMS.	0.04%	0.05%

Consolidated Statement of Service Performance (continued)

Outputs	Measures	2024 Outcome	2023 Outcome
Percentage of NAIT animals that are registered in the NAIT system prior to their first off-farm movement.	This measure shows where an animal was registered in the NAIT system prior to being recorded in an animal movement. Persons in Charge of Animals (PICAs) are obligated to ensure all animals are correctly tagged and registered within 180 days of birth or their first off-farm movement, whichever comes first. This measure takes all animals that were registered in the NAIT system within a given time frame and determines if they were registered correctly or if they were registered by the recording of a movement, and therefore failed to be registered correctly.	95.4%	94.5%
Percentage of animal movements recorded within 48 hours.	This measure shows timeliness of all movements recorded within a time frame. PICAs are obligated to record all animal movements on and off their NAIT location within 48 hours (starting from the end of the day that the movement took place). This measure is dynamic, and it is important to include the collection date when providing this figure. As more movements are recorded retrospectively, the percentage of compliant movements will decrease over time.	63.2%	59.3%
The number of active *M. bovis* confirmed properties in New Zealand.	The active confirmed properties are recorded in the Tiaki database system used by the programme. Number recorded on 30 June.	0	N/A
Total number of farms tested.	The number of farms tested during surveillance testing during the period.	15,030	N/A
The percentage of farms not infected with *M. bovis* that had a detect.	The percentage of farms that are not infected with *M. bovis* over total farms found with a detect. This is measured by farms tested in the period that have in that same period recorded an elevated result during background surveillance testing.	100%	N/A
Average wait time for support centre to answer calls.	Average speed of a phone call answer over the course of the year in minutes and seconds. The target for the year is 3 minutes.	5 mins 10 secs	6 mins 6 secs

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

	2024 $000	2023 $000
Revenue		
Revenue from non-exchange transactions	71,004	73,418
Revenue from exchange transactions	15,670	1,214
Total revenue	**86,674**	**74,632**
Expenditure		
Pest control and management	34,047	34,452
Disease management and testing	22,727	13,488
Animal identification and tracing operations	3,393	3,437
Support centre	2,068	2,215
Research	643	1,894
Information technology	25,173	8,377
Corporate services	12,274	10,968
Total expenditure	**100,325**	**74,831**
Deficit before financing costs	(13,651)	(199)
Interest income	385	247
(Deficit)/surplus for the year	**(13,266)**	**48**
Total comprehensive revenue and expense for the year	**(13,266)**	**48**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from our website **www.ospri.co.nz**. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Accumulated Revenue and Expense $000	Total Equity $000
Opening equity as at 1 July 2023	28,050	28,050
Total comprehensive revenue and expense for the year	(13,266)	(13,266)
Equity as at 30 June 2024	**14,784**	**14,784**
Opening equity as at 1 July 2022	28,002	28,002
Total comprehensive revenue and expense for the year	48	48
Equity as at 30 June 2023	**28,050**	**28,050**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from our website **www.ospri.co.nz**. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	2024 $000	2023 $000
Assets		
Current Assets		
Cash at bank	20,046	10,792
Receivables and other current assets	4,511	5,777
Inventories	1,735	–
Total current assets	**26,292**	**16,569**
Non-current Assets		
Property, plant and equipment	476	649
Intangible assets	6,172	20,046
Total non-current assets	**6,648**	**20,695**
Total assets	**32,940**	**37,264**
Liabilities		
Current Liabilities		
Trade payables and other liabilities	9,065	8,130
Revenue in advance	7,844	–
Employee benefits' liability	1,247	1,084
Total current liabilities	**18,156**	**9,214**
Total liabilities	**18,156**	**9,214**
Equity		
Capital	–	–
Retained earnings	14,784	28,050
Total equity	**14,784**	**28,050**
Total equity and liabilities	**32,940**	**37,264**

Approval by the Directors

The financial statements were authorised on behalf of the Board of Directors on 19 September 2024.

P H S Reynolds
Chair of the Board

M B D James
Director

These are summary Group financial statements. A copy of the full consolidated financial statements is available from our website **www.ospri.co.nz**. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	2024 $000	2023 $000
Cash flows from operating activities		
Cash receipts from operations	95,125	73,598
Cash paid to employees, suppliers and other operations	(81,240)	(73,933)
Net GST received/(paid)	473	(313)
Net cash from/(used in) operating activities	**14,358**	**(648)**
Cash flows from investing activities		
Interest income	386	276
Term deposits matured	–	4,500
Purchase of property, plant and equipment	(143)	(128)
Purchase of intangible assets	(5,347)	(8,146)
Net cash flows used in investing activities	**(5,104)**	**(3,498)**
Net increase/(decrease) in cash at bank	9,254	(4,146)
Opening cash at bank	10,792	14,938
Closing cash at bank	**20,046**	**10,792**

These are summary Group financial statements. A copy of the full consolidated financial statements is available from our website **www.ospri.co.nz**. The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1 Basis of preparation - Summary statements

The summary consolidation financial statements have been prepared in accordance with, and comply with, New Zealand Generally Accepted Accounting Practice (NZ GAAP) and NZFRS-43 Summary Financial Statements.

Note 2 Basis of preparation – Full statements

(a) Statement of compliance

This summary consolidated financial report does not provide the detail included in the full financial report, which has been prepared in accordance with NZ GAAP and complies with Tier 1 Public Benefit Entity (PBE) accounting standards (Not-For-Profit). The specific disclosures included in the summary consolidated financial statements have been extracted from the audited consolidated financial statements dated 19 September 2024. The audit opinion expressed in respect of those consolidated financial statements was unqualified.

(b) Changes due to the initial application of new, revised and amended PBE Standards

There have been no changes to PBE standards requiring application in these financial statements.

Note 3 Annual report

The full annual report is available on our website – **www.ospri.co.nz**

Note 4 Segment information

The Group is organised into and reports to the directors on the basis of four functional areas: OSPRI, TBfree, NAIT and *M. bovis*. Expenses incurred by OSPRI on behalf of its subsidiaries are allocated across the three other functional areas on a proportional basis.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	OSPRI $0	TBfree $0	NAIT $0	*M. bovis* $0	Group $0
Operating revenue	1,831	59,063	11,941	13,839	86,674
Operating expenditure	1,792	66,446	19,983	12,104	100,325
Net operating surplus/(deficit) for the year	**39**	**-7,383**	**-8,042**	**1,735**	**-13,651**
Interest income	-	222	63	100	385
Total comprehensive revenue and expense for the year	**39**	**-7,161**	**-7,979**	**1,835**	**-13,266**

Note 4 Segment information continued...

Statement of Financial Position as at 30 June 2024

	OSPRI $0	TBfree $0	NAIT $0	*M. bovis* $0	Intra-Group $0	Group $0
Total assets	**4,098**	**15,285**	**5,989**	**10,769**	**-3,201**	**32,940**
Current liabilities	2,185	8,336	1,902	8,934	-3,201	18,156
Total equity	**1,913**	**6,949**	**4,087**	**1,835**	**-**	**14,784**

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

	OSPRI $0	TBfree $0	NAIT $0	Group $0
Operating Revenue	1,214	61,053	12,365	74,632
Operating Expenditure	1,215	61,372	12,244	74,831
Net operating surplus/(deficit) for the year	**-1**	**-319**	**121**	**-199**
Interest Income	-	188	59	247
Total comprehensive revenue and expense for the year	**-1**	**-131**	**180**	**48**

Statement of Financial Position as at 30 June 2023

	OSPRI	TBfree	NAIT	Intra-Group	Group
Total assets	**5,633**	**19,895**	**13,951**	**-2,215**	**37,264**
Current liabilities	3,759	5,785	1,885	-2,215	9,214
Total equity	**1,874**	**14,110**	**12,066**	-	**28,050**

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OSPRI NEW ZEALAND LIMITED

Report on the Summary General Purpose Financial Report

The summary general purpose financial report was derived from the General Purpose Financial Report of OSPRI New Zealand Limited for the year ended 30 June 2024.

The summary general purpose financial report comprises of the summary consolidated financial statements on pages 73 to 78, and the summary consolidated service performance information on pages 71 to 72. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying summary general purpose financial report is consistent, in all material respects, with the audited general purpose financial report, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary General Purpose Financial Report

The summary general purpose financial report does not contain all the disclosures included in the general purpose financial report. Reading the summary general purpose financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited General Purpose Financial Report and the auditor's report thereon. The summary general purpose financial report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the consolidated general purpose financial report.

The Audited Consolidated General Purpose Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated general purpose financial report in our report dated 20 September 2024.

Directors' Responsibility for the Summary General Purpose Financial Report

Directors are responsible on behalf of the entity for the preparation of the summary general purpose financial report in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary general purpose financial report are consistent, in all material respects, with the audited consolidated general purpose financial report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interests in, OSPRI New Zealand Limited.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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