



Annual General Report 2023

Trust Alliance NZ Inc.

By

Chris Claridge, Chair

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Trust
Alliance
New Zealand

Trust Alliance NZ Inc. - 2023 Chair's Annual Report

New Zealand's food & fibre sector increasingly has to provide data to prove its sustainability and nature-positive attributes, to provide confidence to auditors, verifiers, retail buyers, consumers and to meet market access requirements. New Zealand needs to be transparent around our impact on the environment and with verified proof points around action. If we can't achieve this, we face a systemic risk to our reputation, our national brand, market access and even access to finance and insurance markets.

This digital transformation is going to be the biggest change in New Zealand supply chains since containerisation in 1960s. Historically, supply chains were seen as linear where product moves physically from one stage to the next. Now supply chains require data proofs where the value sits in the data, and data can flow between any participant in the supply chain.

Trusted data networks need to be established for these data proofs to be created, stored and transferred in an effective and efficient manner. We see world-wide other countries and trading blocks building these trusted data networks. A key goal of the Trust Alliance is to enable New Zealand's agricultural sector, farmers, growers, stakeholders and its entire food and fibre value chain to capture data once, share in a permissioned and trustworthy way, and protect always.

At first blush, doing this seems pretty simple: the service you're building needs to know who the person, the farm, the product is at the other end of the connection is. Set up an online account, give them a username and password, and let them log in. Collect any necessary attributes into a nice, tidy bundle and store them in the account. Job done.

However, most information systems in use today in New Zealand are administrative, built and operated for the purpose of the organisation they serve. The organisation determines its system's rules of operation, what attributes are allowed, how they are used, and whether and where they can be shared. Often the sharing is opaque, with the person or organisation whose data is being shared have little insight into how the information system is being used or by whom. TANZ through its members can solve this problem. We are doing this by investigating, developing, and providing tools, protocols and services to enable decentralised data sharing to occur. It is being done ensuring international best practice and standards are deployed to give scalability, flexibility and portability.

The Board is conscious that this is a big task and is focussed on delivering tools, protocols and services that can meet these challenges. Our Executive Director gives a very good report of the actions the organisation has taken in the last 12 months to deliver tangible examples of a trusted data network. The Digital Farm Wallet project is a positive step towards enabling NZ farmers to provide the digital proofs needed by the market and the regulators.

The New Zealand government has also recognised the need for trusted data networks and has passed the Digital Identity Services Trust Framework Act which enable trusted data networks to operate within a regulatory framework. TANZ looks forward to investigating how we can utilise this.

On a personal note, I would like to thank our Executive Director for all her efforts and the team that supports her. I would like to thank the Board of TANZ for their support and to all members and stakeholders who have given their time and energy.

Chris Claridge, Chair
Trust Alliance NZ Inc.

2023 Executive Director's Annual Report

As we conclude our second year as an incorporated organisation, we have worked tirelessly to set the stage for realising our purpose and scope. Over the past year we have been working on managing both strategic and operational activities, ensuring a harmonious balance to drive our initiatives forward, while also focusing on essential groundwork.

The response we have received from industry stakeholders, government, and all of our members has been incredibly positive, encouraging us to continue our efforts with reinforced determination. The rapidly evolving technology landscape presents numerous opportunities, and we are well-positioned to capitalize on them. We are grateful for the support of the government, our partner network, and the TANZ Board, as we collectively move forward in shaping the digital future of the primary sector.

Despite our small team and limited resources we have achieved significant milestones and laid a strong foundation for our digital journey. The continued support and contributions of our members has been vital to our progress.

The various projects and activities we have undertaken this year have taken us far towards our ultimate objectives.

1. Digital farm environment plan (dFEP) project, co-funded by MPI's Sustainable Food, Fibre Future Fund is successfully completed. The outcome involves implementing a use case to showcase via a digital farm wallet the value of the decentralised data sharing framework, empowering farmers to efficiently manage their data and enable data interoperability across the primary sector. The next phase will address testing standardised ontology and canonical models, sector adoption, and initiating the governance layer.

2. The Digital Farm Wallet Pilot Project, co-funded by the Integrated Farm Planning Fund from MPI, aims to empower farmers, farm enterprises, and industry stakeholders to securely share and verify information. This innovative concept drives trust and transparency in the value chain, moving beyond traditional approaches towards brand proof. By reducing redundant data management tasks, the Digital Farm Wallet enhances farm efficiency.

Notably, the pilot successfully tested sharing GHG and Emission Reports, demonstrating its potential to support good farm management practices. Our vision is to create a more secure, efficient, and transparent digital economy for NZ Inc.'s food and fibre sector, while respecting data privacy rights and Māori data sovereignty.

3. Digital Identity Scoping project – Phase II

Based on the Scoping Digital Identity Phase I project, a proposal for continuing the establishment of a trusted data sharing ecosystem was developed in alignment with the MPI Data Interoperability Working Group. The previous report sets out the process and findings performed to scope the requirements for an effective cross-sector data sharing and management solution. Having analysed market drivers and technical options it was determined that a key foundational requirement for enabling truly secure data sharing and interoperability is the establishment of a secure digital identity mechanism.

4. Technology

To ensure the best outcomes for our members and the wide ecosystem, we have taken a comprehensive approach, combining the development of our own tools and protocols at the beginning with the utilisation of international technology components and services. Rigorous due diligence, scouting exercises, and benchmark analyses have guided us in establishing a technology vendor consortium. This approach allows us to select the best-for-purpose solutions, mitigate the risk of vendor lock-in, and achieve flexibility, portability, and scalability for our initiatives.

Community: Partnerships & Strategic Alliances

Collaboration and partnership with other organisations and initiatives are vital components for our success, allowing us to avoid unnecessary duplication of efforts. We have established and reinforced fruitful partnerships and relationships domestically and internationally.

Our proactive engagement and networking efforts have been showcased through our participation in eight industry conferences. The growing awareness of our activities and purpose is reflected in the increasing social media followers. These activities have not only strengthened collaboration amongst our diverse member community but have also extended the cooperation beyond our immediate reach.

Notably, project interoperability has evolved positively, reflecting the power of collective effort and open communication. By fostering transparency and trust, we have successfully created an environment where members feel encouraged to share insights, address challenges, and explore innovative solutions together.

Furthermore, the Trust Alliance NZ actively seeks to enhance collaboration by engaging with other prominent industry organisations and government entities. Through successful joint activities and partnerships with industry entities like AgriTech NZ, Callaghan Innovations, NZTE, United Fresh, and NZCoop, we have built strong connections that helped break down industry silos and boundaries. These collaborations have opened up new avenues for knowledge exchange, resource-sharing, and strategic planning to further drive the advancement of the primary sector.

We continue to strengthen ties with international parties such as the UN and the internet identity community and industry stakeholders to create synergistic relationships and market insights from complementary initiatives. Our commitment to building an open, inclusive, and interconnected ecosystem remains steadfast.

Finance and Funding

In FYE23, the Trust Alliance NZ (TANZ) recorded a total revenue of \$736,780, consisting of membership fees and external grants & funding. The majority of our expenses were allocated to staffing/sub-contractors, 3rd party service providers, engineering costs, and international research for technology due diligence. Despite the challenges, we achieved a preliminary surplus of \$14,430 before tax. We secured the Integrated Farm Planning Accelerator Grant of \$892k, commencing in Jan'23, to support the deployment of the digital farm wallet pilot project. Additionally, we received funding from other sources in the previous year:

- Sustainable Future Food and Fibre Fund for Digital Farm Environmental Plan: \$498k
- Westpac NZ Government Innovation Fund: \$90k (\$160k in total)

We are optimistic about the future as we expect funding from the Digital Identity Phase II project by MPI (DIWG), which will serve as a strong foundation for the MVP stage of the technology stack (pending final contracting).

The outlook for upcoming projects, funded through collaborative partnerships between industry and government, looks promising. We are encouraged by the positive feedback and keen interest expressed by key stakeholders, setting the stage for further progress and success in our mission.

Thank you to our members, partners and supporters for being the cornerstone of the Trust Alliance NZ's journey. Together, we are making strides towards transforming and shaping the future of the primary sector. Your commitment to our shared vision is truly commendable, and I am excited about the opportunities that lie ahead.

I would like to extend my thank you to the Chair and the Board for their trust and support.

Together, we will continue to make a meaningful impact and create a brighter future for the primary sector.

Klaeri Schelhowe, Executive Director
Trust Alliance NZ Inc.