

Changes to possum control in Hawke's Bay?

Funding Analysis – Additional Information

For the past 20 years, possum control has been funded by HBRC on the basis that the primary benefits have been to rural landowners through a reduction in possum impacts on production. Under the current structure, 70% of costs are assessed on owners of productive rural land who benefit directly from low possum densities and increased productivity.

While council recognises that lower possum densities has associated benefits in reducing the risk of bovine TB spread, however, the farmer levy funded body OSPRI Ltd are the TB vector managers and have responsibility for the national Bovine TB Strategy, which aims to eliminate TB from New Zealand. While coordination between HBRC and OSPRI is important, and mutually beneficial, the principal outcomes HBRC seeks from possum control activities are biodiversity related.

Research has demonstrated the significant negative impacts that possums have on the biodiversity of New Zealand's flora and fauna and also the benefits that can accrue to our indigenous biodiversity when possums are managed to low densities.

Council considers, therefore, that overall, the beneficiaries of possum control are spread across the region, rather than being primarily linked to rural areas. As a result, the current funding policy and allocation may change to reflect this. The cost allocation implications of this will be further considered as part of the review, and consultation on the Council's Revenue and Financing Policy, scheduled for 2023/24.

Under the proposed changes, the Council's spending for possum control is expected to increase over time to be approximately \$3.5 million per annum above the levels in the 2021-31 LTP. The specific costs will depend on many factors that need to be explored in a full-scale implementation plan.

The potential impact this increase would have based on the existing Revenue and Financing Policy, where possum control is funded 30% from general rates and 70% from targeted rates, would be an 8% increase in both the general rate and uniform annual general charge (UAGC) for all ratepayers and a 133% increase in the animal pest control targeted rate. If the funding of possum control was reversed (i.e.: 70% general rates, 30% targeted) the potential impact on ratepayers would be a 22% increase in the general rate and UAGC for all ratepayers and a 30% increase in the animal pest control targeted rate.

Please note that these changes are only indicative, and any actual change will be impacted by a number of factors including the actual planned cost each year and the outcome of the Revenue and Financing Policy review. Changes to the Revenue and Financing policy will be consulted on in 2023. There will be further opportunities for ratepayers to provide feedback to proposed changes through consultations on Annual Plans and the 2024-2034 Long Term Plan.

No Council decisions on new PCA budgets or any revised allocation of costs have been made. These issues will be considered and discussed with the community as part of the 2024 Long-Term Plan (LTP). The changes envisioned in this proposal are enabling, but would not be enacted until the LTP and the Revenue and Financing Policy have been consulted upon and final changes adopted by Council.

Until any changes to the PCA programme are implemented, revenue sources and the allocation of costs will remain unchanged from the current RPMP.