

# PART III: FUNDING



## Introduction

Section 77 of the Biosecurity Act requires that the following matters be specified in a proposed pest management strategy in relation to any organism to which the strategy applies:

- (a) the extent to which any person or persons of any class, kind, or description are likely to benefit from the strategy;
- (b) the extent (if any) to which any persons or persons of any class, kind, or description by their activities or inaction contribute to the creation, continuance, or exacerbation of the problems proposed to be resolved by the strategy;
- (c) the rationale for the allocation of costs; and
- (d) whether any unusual administrative problems or costs are expected in recovering the costs allocated to any of the persons who are required to pay.

The funding tests required by section 77 require that different classes of exacerbators and beneficiaries be identified, along with the classes of costs it is reasonable to charge them. As the Chatham Islands community is small, it is inefficient to separate exacerbators from beneficiaries, although different geographic classes of both beneficiaries and exacerbators can be identified.

Surveillance and Total Control programme principal measures are generally preventative, so that benefits accrue to both the Chatham Island community and New Zealanders as a whole. These benefits include protecting biodiversity and marine fishery values of national importance, and mitigating the potential costs of pest control and pest impacts on production and other regional values.

The funding rationale incorporates the principle that those who fund the Strategy should not pay for activities within the Strategy for which they receive no benefit, or for which another party would normally consider is its role to fund. For instance, advice and education is a principle measure but the Council also offers education funded from other regional funds.

## Cost Allocation and Funding Rationale

In giving effect to this Strategy, both the Biosecurity Act 1993 and the Local Government (Rating) Act 2002 require that funding should be sought from:

- those persons who have an interest in the Strategy;
- those persons who benefit from the Strategy; and
- those persons who contribute to the pest problem.

Most of the pests in the Strategy are either Surveillance or Total Control pests. With internationally important biodiversity values, and nationally important fisheries, the Chatham Islands is a unique region of New Zealand. Surveillance and Total Control programme activities on the Islands therefore benefit all New Zealanders, not just Chatham Islanders. As it is most cost effective to prevent pests from arriving on Chatham or Pitt Islands, and to eradicate them when technically feasible, it is not efficient to allocate these pests to classes of beneficiaries and exacerbators.

For Containment Control pests, when economic values are involved, costs could be charged to landowners or businesses either as beneficiaries or exacerbators. Similarly, inspection, monitoring, enforcement and other administration costs could be charged to beneficiaries, usually landowners. Re-inspection and enforcement costs could be charged to exacerbators.

When other regional values are involved, Containment Control costs could be shared by the landowners or businesses as exacerbators, and the regional community as beneficiaries. Direct user charges could be imposed in response to non-compliance to ensure that only actual rather than potential exacerbators bear the cost. Similarly, inspection, monitoring, enforcement and other administration costs could be charged to the regional community.

The funding of costs allocated to rural landowners and occupiers could be through targeted rates applied to occupiers of rateable rural land. Where there is an agreed area for containment pest control, costs could be allocated to land occupiers via a targeted rate applying to all rateable land on an area and/or value based rating.

The Council recognises that exceptional circumstances exist in managing pests in the Chatham Islands. The small size of the Chatham Islands community makes it difficult to identify classes of beneficiaries and exacerbators. In addition, although the island population is small, there is a considerable range in socio-economic status. Providing equity in allocating costs is therefore difficult, and sometimes compounded by conflicts in the cultural values (Mori, Maori and European) of individual landowners. Furthermore, the isolation of the Chatham Islands brings with it high costs of goods and services. The full costs incurred in enforcing rules for Containment Control pests may therefore be unable to be justified or recovered.

In recognising the exceptional circumstances of the Chatham Islands, the Council has developed a unique partnership with the New Zealand Government, which assists in the funding of the development, review and implementation of this Strategy and associated pest management programmes.

The Council recognises that landowners and occupiers will contribute to significant control costs in complying with rules, and undertaking voluntary control (Table 7). User charges will be applied through the enforcement process to ensure that landowners who comply with the Strategy, are not disadvantaged by those who do not. Costs of Surveillance and Total Control pest programmes are of benefit to all New Zealanders, including the people of the Chatham Islands, and funding will be by way of central government grant(s). It is important to note, that the extent to which the Surveillance and Total Control programmes may be implemented will be subject to the availability of sufficient funding.

**Table 7: Beneficiaries and Exacerbators**

<b>Pest Programme</b>	<b>Beneficiaries</b>	<b>Exacerbators</b>	<b>Funding source</b>
<b>Surveillance</b>	New Zealand community and Chatham Islands community	Users of New Zealand ports servicing the Chatham Islands	Government grant
<b>Total Control</b>	New Zealand community and Chatham Islands community	Users of New Zealand ports servicing the Chatham Islands Chatham Island and Pitt Island communities Production, marine and tourism industries	Government grant
<b>Containment Control</b>	Chatham Islands community	Landowners and occupiers on whose property the Containment Control pest is located	Government grant and non-complying landowners and occupiers



## Anticipated costs

The cost of administering and implementing the Strategy principally relates to:

- (a) administration;
- (b) principal measures; and
- (c) compensation.

These costs are discussed in detail below.

## Administration

General administrative costs include those arising from general administrative functions such as liaison with other government agencies, planning, and provision of other pest services, such as contributing towards the implementation of National Pest Management Strategies, and working with other agencies and organisations in the development of a multi-agency incursion response action plan for the Territory.

The Council will advocate and encourage other agencies and businesses to adopt policies, practices and procedures that avoid, remedy or mitigate adverse effects associated with harmful or potentially harmful organisms. The Council will also make submissions in respect of other documents prepared on pest management by other agencies.

## Principal Measures

The anticipated costs of implementing the principal measures of the Strategy are summarised in Table 8 below. No allowance has been made for input and assistance from other agencies and organisations, such as will be required in relation to developing a multi-agency incursion response action plan, strengthening internal border controls, and freshwater and marine biosecurity.

**Table 8: Anticipated Costs of Principal Measures**

<b>Principal Measures</b>	<b>Surveillance</b>	<b>Total Control</b>	<b>Containment Control</b>
Regulation	\$5 000	\$10 000	\$10 000
Inspection, surveillance, searching – Chatham and Pitt Islands	\$30 000	\$15 000	\$10 000
Property Plans			\$15 000
Pest control operations – Chatham and Pitt Islands		\$40 000	
Internal border – Chatham and Pitt Islands	\$20 000		
Public awareness – Chatham and Pitt Islands	\$10 000	\$10 000	\$10 000
Investigations/Research – Chatham and Pitt Islands	\$5 000	\$5 000	\$5 000
Monitoring – Chatham and Pitt Islands		\$10 000	
Incursion Response – Chatham and Pitt Islands	\$45 000		
<b>TOTAL</b>	<b>\$115 000</b>	<b>\$90 000</b>	<b>\$50 000</b>

## Compensation

No compensation shall be payable by the Council for any claims resulting from the implementation of the Strategy, except where the pest is recognised as legal property. The owner of any pest property damaged or destroyed in the course of implementing the Strategy shall be entitled to receive the net proceeds (if any) arising from the disposal of the pest property. Any dispute concerning the eligibility for or the amount of net proceeds will be assigned to independent arbitrators for resolution.

## PART IV: MONITORING



### Operational Plan and Operational Report

In accordance with section 85 of the Biosecurity Act, the Council will report annually through an Operational Report, on a 5 year Operational Plan, outlining the implementation of principal measures, and the extent to which objectives of the Strategy are being met. The Operational Plan sets budgets and targets for achieving the Strategy objectives, while the Operational Report outlines progress towards achieving those objectives. The Operational Plan must be prepared within 3 months after the Strategy becomes operational, and must be reviewed annually. The Operational Report is the major monitoring mechanism for how well the objectives of the Strategy are being met, and will report on the factors set out in Table 9 below.

Pest control operations and regulation are two of the key principal measures that will be applied under the Strategy. Operational monitoring measures the effectiveness and efficiency of pest control operations, while compliance monitoring measures the effectiveness of regulation. Public awareness (information and advice) informs landowners and occupiers of their obligations, and of appropriate pest control methods. Investigations improve the efficiency and effectiveness of pest management operational and monitoring methods.

The Council will monitor implementation of the pest management programmes set out in this Strategy by:

- recording the number of public complaints received relating to each pest
- recording the number of incidences of non-compliance with the Strategy rules
- reporting on the success or otherwise of any investigations
- reporting on the distribution of any biological control agents released
- assessing the public awareness of pest control programmes

**Table 9: Monitoring the Strategy Objectives**

Anticipated Result	Indicator	Method of Monitoring	Frequency of Monitoring	Reporting to Council
<b>Surveillance</b>				
Surveillance pests known to be absent from the Chatham Islands and Pitt Island do not establish on the Chatham Islands or Pitt Island	Presence	Searching at Chatham Island and Pitt Island ports and high risk locations	Twice yearly	Annual
<b>Total Control</b>				
There is a reduction in the distribution and density of Total Control pests	Distribution and density of Total Control pests	Mapping the distribution, and where possible, the location and density of Total Control pests	Annual	Annual
<b>Containment Control</b>				
Impacts of Containment Control pest plants on regional values are minimised	Compliance with rules	Property Plans	Following control operations	Annual
Impacts of Containment Control pest animals on regional values are minimised	Voluntary control and landowner partnerships with agencies	Property Plans	Following control operations	Annual