

TB PLAN 2016

FUNDING MODEL

FACTSHEET 2016-07

This factsheet provides an overview of the funding arrangement for the TB Plan approved by the New Zealand Government as part of the National Pest Management Plan 2016. The TB Plan maps the programme of activity OSPRI's TBfree programme will follow to achieve its goal of eradicating bovine TB from New Zealand.

Part of the regular review of the Plan streamlined funding arrangements that give greater funding security and greater flexibility about where and how money can be spent, with regional boundary and activity restrictions removed.

The new Plan is funded by the beef, dairy and deer industries; the Crown; and a new funder, live animal exporters that benefit from TB control. Landowner funding formerly derived from Regional Councils has been absorbed by the industry and Crown funding to avoid funding being 'tied' to particular regions and to reduce administrative work associated with collection.

WHERE THE MONEY COMES FROM

Government funding for the ongoing plan to eradicate bovine tuberculosis was approved by Minister for Primary Industries as part of the Government's annual Budget announcement in May 2016.

The Crown has committed \$100 million (making up 40% of the total funding required) over the next four years. Farmers will contribute \$150 million (60% of the funding) over the same period, through DairyNZ, Beer+Lamb, Deer Industry NZ and Livestock export industry levies.

The respective industry shares of the 60% funding will change each year on the basis of shifts in the relative size and value of each industry. These changes will be given effect through annual adjustments to cattle slaughter levies and DINZ contribution.

For OSPRI and the TBfree programme, this means annual funding of \$65 million for two years and \$60 million thereafter, a 25% reduction from previous funding.

WHERE THE MONEY GOES

OSPRI's funding receipts are allocated according to the areas of focus identified in our Annual Operating Plan.

Beyond the resource required to support the corporate structure and contact centre, funds are channelled into OSPRI's areas of operation:

- Disease management
- Wildlife pest control
- Research and programme development

Disease Management includes the cost testing cattle and deer, managing livestock movement controls, database and other administration costs, compensation for livestock slaughter.

Wildlife pest control costs are incurred as part of the possum control programme, and include wild animal surveillance, diagnostics, landowner and community liaison, and TBfree NZ's (OSPRI) costs of managing the programme.

Research and development costs support the control and eradication of TB and provide the scientific base for programme design and timely delivery.

KEY OBJECTIVES OF THE PLAN

Bovine TB has the potential to result in restrictions on New Zealand's ability to trade in farmed cattle and deer when left unchecked. Progress towards the ultimate objective of eradicating the disease from New Zealand has been better than expected, and the revised TBfree New Zealand Plan, managed by OSPRI, aims to:

- Biological eradication of TB from New Zealand by 2055, with TB freedom in livestock by 2026 and statistical freedom in possums (i.e. high confidence the disease is gone) by 2040,
- Ensuring the annual infected herd period prevalence stays at or below 0.2% throughout the term of the plan.

KEY BENEFITS

The new TB Plan brings many advantages, including:

- a clear goal for full eradication of TB from New Zealand,
- a reduced level of expenditure – (\$60m average, down from \$80m) made possible by a new approach to disease testing and vector control, and
- streamlined funding arrangements that give greater funding security and greater flexibility.

The changes introduce a more targeted, risk-based approach to disease management and vector control that leverages the advantages of:

- the ability to monitor livestock movements which is a significant contributor to TB risk,
- more and better data and experience to assess and manage risk, allowing informed decision-making,
- better information based on research, disease management and control of TB in wildlife populations, and
- better analytical and decision-making tools.

NEXT STEPS

The new plan will be phased in according to the design shaped by OSPRI's field based research, and according to the new risk-based approach to livestock testing and wildlife control.

The expected timeline for the introduction of the new plan includes:

- Industry levies set in late June/early July 2016
- The phased approach to manage the transition of changes in disease and vector management and a significant reduction in funding. (Many operational changes are already in motion to facilitate this.)
- The national operating framework supporting plan will be finalised and submitted, setting out the multi-year timeline for delivering the high-level plan approved by the Minister, including more detailed strategy and policy for delivering on the amended objectives and milestones.

The TB plan comes into force from 1 July 2016. Find out more at ospri.co.nz.