



28 AUG 2020

Tēnā koe

On 31 July 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *MSD Cabinet papers from 2010 regarding Rural Assistance Payments between May - December 2010.*

The Minister of Agriculture has the authority to declare an adverse event, such as a Natural Disaster, drought, or flood, under the Government's Primary Sector Recovery policy. A declaration means the Government will fund provision of services to help affected farmers deal with the impacts of the adverse event or incursion, such as providing access to technical information, advice and counselling support. The hardest hit farmers could be eligible for income support payments.

The Ministry for Primary Industries (MPI) classifies adverse events as either localised, medium, or large-scale events. More information about the classifications can be located on MPI's website available at: www.mpi.govt.nz/protection-and-response/responding/adverse-events/how-we-classify-adverse-events/.

Rural Assistance Payments are Special Needs Grants available for individuals affected by an adverse event or biosecurity incursion who derive their principle income directly or indirectly from primary industries and are not producing sufficient income to meet essential living costs.

Further general information about Rural Assistance Payments is available on the Work and Income website at: www.workandincome.govt.nz/products/a-z-benefits/rural-assistance.html.

As you may be aware, in 2010, a number of regions across New Zealand were declared in drought. The Ministry of Agriculture and Forestry (now MPI), classified a 'large scale' adverse event which covered the top half of the North Island, South Taranaki and parts of Wairarapa, Otago, and Canterbury.

The former Minister for Social Development and Employment, in consultation with the then Minister of Finance and Minister of Agriculture, approved Rural Assistance Payments under the Special Needs Grants programme for eligible farming families whose income was affected by the 2010 drought.

You may be interested to know; the Work and Income website provides a list of approvals granted for rural assistance under the Special Needs Grants Programme over the years beginning with the most recent approval. You can access this information at the link provided on the following page.

www.workandincome.govt.nz/map/legislation/welfare-programmes/special-needs-grants-programme-rural-assistance-approvals/special-needs-grants-programme-approvals-granted-f.html.

Please find enclosed the following three documents which fall in scope of your request:

- *Cabinet Social Policy Committee – Minute of Decision Rural Assistance Payments for 2010 Droughts*, dated 22 September 2010.
- *Cabinet Social Policy Committee – Summary of Paper Rural Assistance Payments for 2010 Droughts*, dated 17 September 2010.
- *Cabinet paper Rural Assistance Papers for 2010 Droughts – Approval for Additional Expenditure and Extension of Payments*, dated 14 September 2010.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding Cabinet papers from 2010 regarding Rural Assistance Payments, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Nāku noa, nā



Bede Hogan
Policy Manager



Cabinet Social Policy Committee

SOC Min (10) 23/4

Copy No: 33

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Rural Assistance Payments for 2010 Droughts

Portfolio: Social Development and Employment

On 22 September 2010, the Cabinet Social Policy Committee, having been authorised by the Prime Minister to have Power to Act:

- 1 **noted** that a number of regions across the country have been declared in drought in 2010;
- 2 **noted** that earlier in 2010, the Minister for Social Development and Employment approved Rural Assistance Payments under the Special Needs grants Programme for eligible farming families whose income has been affected by the 2010 drought in the affected:
 - 2.1 North Island regions until 30 September 2010;
 - 2.2 South Island regions until 31 December 2010;
- 3 **noted** that the Ministry of Agriculture and Forestry has advised that some farmers in the drought affected areas of the North Island will need financial assistance until 31 December 2010 as cashflows have not recovered as quickly as originally anticipated;
- 4 **noted** that the cost of providing Rural Assistance Payments to the farming families in the affected regions of the North Island and the South Island until 31 December 2010 is currently estimated at \$605,732;
- 5 **noted** that in August 2008, the previous government:
 - 5.1 authorised the Minister of Finance, the Minister of Agriculture, and the Minister for Social Development and Employment to jointly approve an amount of up to \$500,000 per year for Rural Assistance Payments;
 - 5.2 agreed that, should the total cost of Rural Assistance Payments exceed \$500,000 for any specified event, the Minister of Finance, the Minister of Agriculture, and the Minister for Social Development and Employment will seek Cabinet's approval to provide additional funding before any further payments are jointly approved under delegation;

[POL Min (08) 14/5]



Cabinet Social Policy Committee

SOC (10) 98

Copy No: 32

Summary of Paper

17 September 2010

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Rural Assistance Payments for 2010 Droughts

Portfolio Social Development and Employment

Purpose This paper seeks approval to extend the end date for Rural Assistance Payments in the North Island and to use additional funding to extend the programme.

Previous Consideration In August 2008, the previous government authorised the Minister of Finance, the Minister of Agriculture, and the Minister for Social Development and Employment to jointly approve an amount of up to \$500,000 per year for Rural Assistance Payments, and agreed that, should the total cost of Rural Assistance Payments exceed \$500,000 for any specified event, the Minister of Finance, the Minister of Agriculture, and the Minister for Social Development and Employment will seek Cabinet's approval to provide additional funding before any further payments are jointly approved under delegation [POL Min (08) 14/5].

Summary Dry conditions have had a significant impact on the rural sector in 2010, and the Ministry of Agriculture and Forestry considers the drought a 'large scale' event under the Adverse Events Framework. The drought now covers the top half of the North Island, South Taranaki and parts of Wairarapa, Otago, and Canterbury.

Rural Assistance Payments are non-taxable payments made under the Special Needs Grants Programme, which are designed to cover essential living costs for farming families whose income has been affected by adverse events. Families can receive payments every four weeks, at the applicable net rate of the Unemployment Benefit, for up to one year.

Over 2010, the Minister for Social Development and Employment, in consultation with the Minister of Finance and the Minister of Agriculture, has signed approval to provide Rural Assistance Payments in parts of the North Island until 30 September 2010, and in parts of Canterbury and Otago until 31 December.

Advice from Rural Support Trusts in the North Island indicates that most of the North Island farmers affected by the drought will face hardship if Rural Assistance Payments are withdrawn after 30 September.

It is proposed that the end date for Rural Assistance Payments in North Island areas affected by the 2010 drought be extended until 31 December. A list of the affected areas is on pages 3-4.

- 5.2 agreed that, should the total cost of Rural Assistance Payments exceed \$500,000 for any specified event, the Minister of Finance, the Minister of Agriculture, and the Minister for Social Development and Employment will seek Cabinet's approval to provide additional funding before any further payments are jointly approved under delegation;

[POL Min (08) 14/5]

- 6 agree that the Ministry of Social Development use up to \$200,000 over the Cabinet approved \$500,000 to provide financial assistance to farmers affected by the 2010 drought until 31 December 2010, to be met within the forecast amount previously approved for the Hardship Assistance Appropriation in Vote Social Development;
- 7 agree to:
- 7.1 extend Rural Assistance Payments for all eligible farmers in the North Island affected by the 2010 drought until 31 December 2010;
- 7.2 pay the assistance from Hardship Assistance Appropriation in Vote Social Development;
- 8 invite the Minister for Social Development and Employment to make the appropriate changes to the Ministerial Welfare Programmes to give effect to the proposal to extend the Rural Assistance Payments for the North Island.

Gerrard Carter
Committee Secretary

Distribution:

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Geoff Short, Te Puni Kokiri

Chair
Cabinet Social Policy Committee

RURAL ASSISTANCE PAYMENTS FOR 2010 DROUGHT - APPROVAL FOR ADDITIONAL EXPENDITURE AND EXTENSION OF PAYMENTS

Proposal

- 1 This paper seeks approval to extend the end date for Rural Assistance Payments in the North Island that provide financial assistance to farmers affected by the 2010 drought, and use up to \$200,000 over the Cabinet approved \$500,000 limit of the Hardship Assistance appropriation in Vote Social Development to continue the programme until 31 December 2010 (bringing the total expenditure to \$700,000).

Background

- 2 Dry conditions have had a significant impact on the rural sector this year and the Ministry of Agriculture and Forestry considers the drought a 'large scale' event under the Adverse Events framework. The 2010 drought now covers the top half of the North Island, South Taranaki and parts of Wairarapa, Otago and Canterbury regions.
- 3 Rural Assistance Payments are non-taxable payments made under the Special Needs Grants Programme (a welfare programme made under section 124(1)(d) of the Social Security Act 1964), which are designed to cover essential living costs for farming families whose income has been affected by an adverse event. Farmers who meet the eligibility criteria (including income and asset tests) are screened by local Rural Support Trusts before any payment is made. Families can receive payments every four weeks, at the applicable net rate of the Unemployment Benefit, for up to one year.
- 4 In 2008, Cabinet agreed that Joint Ministers (Finance, Agriculture, and Social Development and Employment) could approve an increase in the Hardship Assistance appropriation of up to \$500,000 per year for Rural Assistance Payments. Joint Ministers must approach Cabinet for further approval if Rural Assistance Payments expenditure is to exceed \$500,000 for a single event [CAB Min (08) 31/4].
- 5 I signed an approval under the Special Needs Grants programme to provide Rural Assistance Payments for eligible farming families whose income has been affected by the 2010 drought in the North Island, from the dates below until 30 September¹:
 - Northland region from 15 February 2010
 - affected areas of Auckland and Waikato from 12 April 2010
 - affected areas of Bay of Plenty, Taranaki and Great Barrier Island in the Auckland region, from 28 April 2010
 - affected areas in the Wairarapa from 7 June 2010.

¹ In agreement with the Ministers of Agriculture and Finance.

2010 drought is estimated to cost \$605,732. This means that the expenditure is likely to exceed the \$500,000 Cabinet expenditure limit for a single event.

- 15 It is therefore anticipated that an additional \$105,732 would be required to continue Rural Assistance Payments for the affected North Island and South Island areas until 31 December 2010. Approval to use up to \$200,000 over the \$500,000 limit would ensure that sufficient cover is provided for any last minute claims or unexpected circumstances. The total cost of up to \$700,000 can be met from funding currently approved through forecasts for the Hardship Assistance Appropriation.
- 16 The table below shows the actual and estimate expenditure on Rural Assistance Payments for the 2010 drought, if payments for the North Island were extended until 31 December 2010.

Expenditure on Rural Assistance Payments for drought 2010 (with provisional figures)

Mar	7	\$1,197	\$8,377	\$8,377	
Apr	22	\$1,170	\$25,735	\$34,112	
May	43	\$1,245	\$53,534	\$87,646	
Jun	52	\$1,251	\$65,030	\$152,676	
Jul	64	\$1,232	\$78,833	\$231,509	
Aug	58	\$1,205	\$69,890	\$301,399	
Sep	76	\$1,163	\$87,794	\$389,192	<i>estimate</i>
Oct	68	\$1,169	\$79,778	\$468,970	<i>estimate</i>
Nov	65	\$1,169	\$76,359	\$545,329	<i>estimate</i>
Dec	52	\$1,169	\$60,403	\$605,732	<i>estimate</i>

- 17 It is probable that some farms will still be in financial trouble after 31 December 2010, due to a combination of low returns, high operating costs and/or high debt servicing costs. These are general economic issues which the RAPs programme is not intended to address.
- 18 The Ministers of Finance and Agriculture have agreed that I seek, on our behalf, approval to:
- use up to \$200,000 over the Cabinet approved \$500,000 limit from the Hardship Assistance appropriation in Vote Social Development to allow continued support to farmers in drought affected areas.
 - extend the end date for Rural Assistance Payments for the following areas in the North Island affected by the 2010 drought until 31 December 2010:
 - Northland region (including Far North District Council, Whangarei District Council and Kaipara District Council)
 - Auckland region (including Papakura District Council, Franklin District Council, Manukau City Council, Rodney District Council and the Great Barrier Island within the Auckland City Council district)
 - Waikato region (including Hamilton City Council, Otorohanga District Council, Hauraki District Council, Matamata-Piako District Council, South Waikato District Council, Taupo District Council, Thames-Coromandel District Council, Waipa District Council, Waikato District Council, Waitomo District Council)
 - Bay of Plenty region (including Otopiki District Council, Whakatane District Council, Kawerau District Council, Rotorua District Council, Western Bay of Plenty District Council, Tauranga District Council)
 - South Taranaki District Council in the Taranaki region


- 2 **note** that earlier this year the Minister for Social Development and Employment approved Rural Assistance Payments under the Special Needs Grants Programme for eligible farming families whose income has been affected by the 2010 drought:
 - in the affected North Island regions until **30 September 2010** and
 - in the affected South Island regions until **31 December 2010**
- 3 **note** that the Ministry of Agriculture and Forestry has advised that some farmers in the drought affected areas of the North Island will need financial assistance until 31 December 2010 as cashflows have not recovered as quickly as originally anticipated
- 4 **note** that the cost of providing Rural Assistance Payments to the farming families in the affected regions of the North and South Island until 31 December 2010 is currently estimated at \$605,732
- 5 **note** that the Ministers of Finance, Agriculture and Social Development and Employment have delegated authority to jointly approve Rural Assistance Payments of up to \$500,000 per year per event, but that expenditure exceeding \$500,000 for any specified event requires further Cabinet approval [CAB Min (08) 31/4]
- 6 **agree** that the Ministry of Social Development use up to \$200,000 over the Cabinet approved \$500,000 to provide financial assistance to farmers affected by the 2010 drought until 31 December 2010, to be met within the forecast amount previously approved for the Hardship Assistance Appropriation in Vote Social Development.
- 7 **agree** to extend Rural Assistance Payments for all eligible farmers in the North Island affected by the 2010 drought until 31 December 2010, and to pay the assistance from Hardship Assistance Appropriation in Vote Social Development
- 8 **invite** the Minister for Social Development and Employment to make the appropriate changes to the Ministerial Welfare Programmes to enact the decision to extend the Rural Assistance Payments for the North Island.



Hon Paula Bennett
Minister for Social Development and Employment

14, 9, 10

Consultation on Cabinet and Cabinet Committee Submissions

Certification by Department:	
Guidance on consultation requirements for Cabinet/Cabinet committee papers is provided in the CabGuide (see Procedures: Consultation): http://www.cabguide.cabinetoffice.govt.nz/procedures/consultation	
Departments/agencies consulted: The attached submission has implications for the following departments/agencies whose views have been sought and are accurately reflected in the submission: Treasury, Ministry of Agriculture and Forestry	
Departments/agencies informed: In addition to those listed above, the following departments/agencies have an interest in the submission and have been informed: n/a	
Others consulted: Other interested groups have been consulted as follows: n/a	
Name, Title, Department: Sue Mackwell, Deputy Chief Executive, Social Services Policy and Social Sector Strategy, Ministry of Social Development	
Date: 14/September/2010	Signature 

Certification by Minister:	
Ministers should be prepared to update and amplify the advice below when the submission is discussed at Cabinet/Cabinet committee.	
The attached proposal:	
<i>Consultation at Ministerial level</i>	<input checked="" type="checkbox"/> has been consulted with the Minister of Finance <i>[required for all submissions seeking new funding]</i> <input checked="" type="checkbox"/> has been consulted with the following portfolio Ministers: <i>Minister of Agriculture</i> <input type="checkbox"/> did not need consultation with other Ministers
<i>Discussion with National caucus</i>	<input type="checkbox"/> has been or <input type="checkbox"/> will be discussed with the government caucus <input checked="" type="checkbox"/> does not need discussion with the government caucus
<i>Discussion with other parties</i>	<input type="checkbox"/> has been discussed with the following other parties represented in Parliament: <input type="checkbox"/> Act Party <input type="checkbox"/> Maori Party <input type="checkbox"/> United Future Party <input type="checkbox"/> Other [specify] <input type="checkbox"/> will be discussed with the following other parties represented in Parliament: <input type="checkbox"/> Act Party <input type="checkbox"/> Maori Party <input type="checkbox"/> United Future Party <input type="checkbox"/> Other [specify] <input checked="" type="checkbox"/> does not need discussion with other parties represented in Parliament
Portfolio <i>Social Development</i>	Date <i>15.9.2010</i>
Signature 