

Rural Communities/Hāpori Taiwhenua Portfolio Briefing 2023

Te Kāwanatanga o Aotearoa
New Zealand Government

Ministry for Primary Industries
Manatū Ahu Matua



Introduction

Rural communities are vital to the success of the primary industries, as well as the economy and social fabric of New Zealand as a whole.

The responsibilities of the portfolio relate to supporting thriving, vibrant and sustainable rural communities. This takes place through:

- + implementing the rural proofing policy to ensure all Government policies have a rural lens throughout policy development and implementation; and
- + strengthening resilience, for example through adverse events recovery work, supporting rural mental health and wellness, and the development of rural hubs that build on community strengths.

Appendix 1 sets out the current key investments for this portfolio, up to the end of the 2022/23 financial year. These key investments are funded from Vote Agriculture, Biosecurity, Fisheries and Food Safety. There is no separate Vote for this Portfolio.

Role of the Rural Communities Minister

The role of the Minister is to promote rural community interests, provide a rural lens across government decisions, and to provide support for rural communities when adverse events occur.

The work programme that you are responsible for contributes to improving resilience and the quality of life for all rural communities. This includes the primary sector recovery and rural proofing policies. You also support fellow Ministers with advice on the impacts of other policies on rural communities.

PROACTIVE RELEASE

The Rural Communities portfolio

Up to 15 percent of New Zealanders live in rural communities around the country. Rural communities range from those who live on an urban boundary to the truly remote, from lifestyle blocks to high country stations.

Māori have a strong connection to the whenua, the majority of which is located within rural communities. Māori are also significant participants across all primary industries.

In some regions of New Zealand, over 30 percent of the population are employed in food and primary industry businesses. The people who live and work in rural communities are vital to the success of the primary industries, whether it be on the farm, in the forest, at sea, or in processing and support services in the regions. The success of the sector relies on the resilience, adaptability and resources of these communities.

The re-introduction of the Rural Communities portfolio in 2017 has increased the scope of MPI's commitment to the primary industries to include the rural sector, their communities, and their wider social considerations.

Adverse events

New Zealand has faced many adverse events in recent years. Severe weather events and other natural hazards will continue to increase in regularity and severity with climate change. They have an increasingly detrimental impact on rural communities, the productivity of the primary sector, and New Zealand's economy. These events can occur at any time, without warning. It is vital that the Government can respond efficiently and effectively to support impacted communities, reduce harm, and speed up recovery.

The impact of weather-related events has been exacerbated by La Niña conditions, which have increased the frequency and intensity of both drought and heavy rain events. The forecast outlook for 2023 is for La Niña conditions to continue for a third year. Additionally, the National Institute of Water and Atmospheric Research (NIWA) has recently forecast an intense marine heatwave during 2022/23, which further increases the likelihood of heavy rain events and autumnal cyclones.

MPI has statutory responsibilities under the National Civil Defence Emergency Management (CDEM) Plan Order 2015 to deliver animal welfare and rural community support services in an adverse event.

MPI provides advice to Ministers for classifying adverse events under the Primary Sector Recovery Policy as localised (small), medium, or large-scale. The scale and type of the event determines the package of support that the Government provides. In a medium or large-scale event other support tools are activated by Inland Revenue and the Ministry of Social Development.

In 2022 alone there were seven medium-scale adverse events classified under the Primary Sector Recovery Policy (heavy rain and flooding, cyclone Dovi and regional droughts) that caused major disruption for people, for animals, and the operation of primary industries. Already in 2023 there have been two significant weather events (Cyclone Hale and upper North Island flooding). In late January a severe weather event impacted on rural communities throughout the upper North Island. MPI is working alongside civil defence and primary sector organisations to understand the needs of the rural sector and support farmers and growers.

Readiness activities and support provided makes a real difference to support the recovery of the primary industries and wellbeing of rural communities.

The policy is currently under review as the funding that was originally set aside for adverse events has not kept pace with the frequency or severity of events experienced in the last year. In both 2021-22 and 2022-23 additional funding has been approved by Cabinet to meet a shortfall in the budget available for adverse event responses. Work is continuing to find a sustainable long-term solution.

Further out, according to NIWA, the frequency and severity of adverse weather events will continue to increase because of climate change. Some communities have already felt this "new normal" and have been impacted by back-to-back or multiple adverse events in recent years. The capacity of communities to plan for and respond to adverse events plays a part in shaping the resilience within rural communities and helps determine the type of support they may need in recovery.

Opportunity and Challenges

As the home of New Zealand's primary industries, rural communities need to be well positioned to help achieve a more productive, sustainable and inclusive economy. This shift relies on rural communities being thriving, connected and resilient places to work and live.

Strategic Priority 1: Thriving and connected rural communities

A key strategic priority of the portfolio is to support rural communities to thrive, as attractive places to live and work, and where community aspirations can be supported. All New Zealanders must be enabled to participate fully in society, and reach their potential in education, work and wellbeing. For communities to thrive they require equitable access to services and resilient physical and social connections.

Improving rural digital and physical connectivity reduces isolation, provides access to options for income diversification, and supports people to participate more fully in life in New Zealand. It will help drive a more prosperous and sustainable economy and help facilitate access to social and community services. The Office for Rural Communities within MPI works closely with MBIE on the Digital Strategy, and the Government-led connectivity programmes such as the Ultra-Fast Broadband Programme, Rural Broadband Initiative Mobile Black Spot Fund, Rural Capacity Upgrades Programme and Remote Users Scheme. The roll out of this programme is currently on track.

The *Fit for a Better World* roadmap sets out the path to increase participation and the number of jobs in the primary industries, with flow-on effects throughout rural communities. We are on schedule to meet the connectivity aims outlined in *Fit for a Better World* but are keeping close watch on how changing digital consumption, and changes in technology impact on rural communities and their ability to connect.

There is opportunity to achieve this strategic priority through:

Rural proofing

Rural proofing is an important deliverable for the Rural Communities portfolio. While many of the levers to influence the success of rural proofing sit with other agencies, MPI supports this work through promoting rural proofing. The rural proofing policy and guidance has the aim of building awareness amongst government agencies of the unique challenges faced by rural communities.

MPI currently has four key policy areas it works closely on with the lead agencies – rural digital connectivity, transport, health and local government reform including three waters reform. We then work with other agencies on policy proposals as they arise.

MPI undertook a review of rural proofing guidance and tools and reported back to Cabinet in June 2021. After this MPI commissioned an online rural proofing learning module that will enable anyone to learn more about rural proofing and how to go about it in their policy development. This module is due to launch in the first half of 2023.

Community-led development and rural hubs

MPI's community-led development programme has set up a network of rural community hubs to help bring about greater community resilience and cohesion.

These hubs are an opportunity to:

- + facilitate pathways to employment such as adult education, business development training/mentoring and digital hubs/digital training
- + support improved access to government funded services such as health, welfare assistance, other funding paths;
- + support communities to adjust and respond positively to change; and
- + strengthen networks and enhance social connections.

The first rural community hub to be funded was in partnership with Te Riu o Waiapu Trust at Tikitiki in the Gisborne region. The funding is now fully allocated with 32 hubs supported across the country.

Supporting employment

Growing the skills and numbers of New Zealanders in the primary sector workforce is a complex undertaking that requires sustained commitment from both Government and industry.

The Government and sector are working hard to connect New Zealanders with food and fibre jobs. An example is our Opportunity Grows Here attraction campaign, which includes targeting different job seekers across the food and fibre sector.

Based on the collective efforts across government and the sector, around 14,000 people have been supported into jobs, meeting our goal of employing 10,000 more New Zealanders in the sector much earlier than the four-year target. Also, research conducted in July 2021 showed the appeal of working in the food and fibre sector had increased for 30 percent of the non-sector workforce.

Strategic Priority 2: Resilient rural communities

Building resilience in the primary industries and the communities in which they are located is key to responding to the increasing risk of climate change.

Resilience is required at the individual level, through good mental health and wellbeing; at a business level, where the primary industries have future proofed business models in place; and at a community level, where communities play a part in shaping their futures.

A key part of this work falls under the implementation of the Primary Sector Recovery Policy. This includes MPI working alongside the National Emergency Management Agency and working directly with people in the primary industries to help communities build resilience to adverse events. MPI also carries out work to support new initiatives and changes in land use to create diversity, innovation, and sustainable farming businesses.

One example of this is a joint project MPI is working on with NIWA to develop a new forecasting tool that uses innovative climate modelling and data-driven techniques to help farmers and growers prepare for periods of dryness and drought. A trial version was released in November 2022, with the final version on track to be ready for the 23/24 summer.

There is opportunity to achieve this strategic priority through:

Primary Sector Recovery Policy review

The Primary Sector Recovery Policy (the Policy) guides government decisions on recovery assistance following climatic events, natural disasters and biosecurity incursions that impact on-farm. The Policy facilitates speedy recovery in the sector. MPI is reviewing the Policy.

Enhancing mental health and wellness support in rural communities

MPI provides funding and coordination for 14 Rural Support Trusts (RSTs) for adverse event recovery and the Rural Support Initiative. RSTs provide coordination of community engagement and recovery efforts including community events, and one-on-one peer support in rural communities during tough times. This support may include providing farmers with information or referrals to financial, farm management, relationship, animal health or welfare support during adverse events, and can link farmers with services that support mental health and wellbeing. The RST network actively supported the primary sector when the COVID-19 protection framework was in force. Most recently RSTs have supported response and recovery efforts to East Coast and Northland communities impacted by Cyclone Hale and communities in Marlborough, West Coast South Island and Tasman impacted by adverse weather events.

In response to the increased pressures facing some rural communities, RSTs and other sector bodies will continue to provide events around the country to support farmer and grower mental wellbeing. These have been well supported by the sector.

MPI maintains relationships with complementary delivery providers, for example iwi providers, that can help meet the needs of those who live and works in rural communities.

Work is underway with key primary sector organisations to better deliver support to rural communities. This is being done alongside the increased focus from the health sector in an aim to better deliver services across the spectrum of need. In addition to this MPI is working with the Ministry of Health on the development of a rural strategy within the new health strategy that is expected to be delivered in 2023.

The FirstMate network has been established to this end to improve wellbeing outcomes of fishers within rural communities.

Supporting communities during land use change

The potential impacts of land use changes on jobs, services and social cohesion are a source of concern for some members of our rural communities. There is an opportunity to work with and alongside rural communities to identify how community aspirations for the future can be realised. Identifying what matters to each community allows us to respond to challenges by considering specific mitigations, including potentially publicly funded investments.

Appendix 1: Key Investment

Investment	Description	Funding
COVID-19 and drought recovery	This funding was provided to assist coordination efforts and to activate some additional recovery measures. Funding supported farmers with feed budgeting and coordination services, recovery coordination and boosts funding for RSTs for extra psychosocial support.	\$3.038m in 2020/21 – 2022/23 through Budget 2020
Boost welfare and recovery capability and capacity in communities	This programme establishes a network of regional recovery coordinators and provides capability development for rural advisory groups.	\$820k for 2020/21 – 2022/23 through Budget 2020
Drought and COVID-19 recovery and resilience	This \$3.5m fund was established to help farmers recover from the 2020 Drought by funding professional advisory services that support farmers to plan and build their resilience to future droughts. A further \$2m is available for future rounds to support drought and COVID-19 recovery.	\$3.5m + \$100k to administer in 2020/21 – 2021/23 through Budget 2020
Mayoral Funds	In response to the drought impacts on feed, the funding supports feed transport costs into the drought-stricken regions: Northland, Waikato (Hauraki) and Hawkes Bay.	\$1m in 2020/21 through MPI reprioritisation
RSTs supporting COVID-19 recovery	Additional investment was made in some RSTs (that did not have drought support funding) to support farmers and their families through the COVID-19 crisis and to help them to cope with the flow-on effects for the primary industries.	\$89.6k in 2020/21 through Budget 2020
Rural Support Trusts (RST)	In 2021/22 additional funding was provided to enable all RSTs to support families directly impacted by COVID-19	\$160k in 2021/22 through Budget 2020
Rural Support initiative (RSI)	MPI provides an annual grant to each RST to support their annual operating costs, and ensure they are able to provide services when an adverse event occurs.	\$300k per annum up to 2023
Adverse events and community mental health and wellbeing	Funding has been provided to promote and support primary sector mental health and wellbeing, as well as grow RST capability.	\$326.4k/annum 2020/21 -2022/23 through Budget 2020
Complementing services to RSTs	MPI funds Rural Support Trusts and other entities to provide support to the primary sector following adverse events, in accordance with the Primary Sector Recovery Policy. Cabinet approved a one-off top up to contingency funding acknowledging the increased frequency of events where unspent funding can be rolled into future years. [GOVT-22-MIN-0039-MIN refers].	\$320k per annum (baseline) \$1.5m additional contingency in 2022/23
Fisher Support Network (FSN)	This investment programme aims to recruit new service providers who are able to support the diverse needs of the communities. The programme targets the hard-to-reach, Māori and rural communities for psychosocial and other support services.	\$1.09m for 2020/21- 2022/23 through Budget 2020
Community Led Development	The FSN aims to provide practical frontline wellbeing support, business advice and mentorship at a community level. Fishers affected by COVID-19 and those affected by the recent announcement of the Hector's and Māui Dolphin Threat Management Plan will be supported through the FSN.	\$4.6m for the next 3 years through Budget 2020
Finance, risk and business continuity planning	This investment programme is centred on the network of rural community hubs. This funding will enable the establishment of a number of new rural community hubs, as well as support related community led development initiatives.	\$1.10m for 2020/21- 2022/23 through Budget 2020
Sustainable finance	The programme funds training and tools to upskill farmers and growers. This programme aims to improve farm business resilience, build skills within rural communities, and ensure farmers and growers have the opportunity to thrive.	\$1.3m for 2020/21-2022/23 through Budget 2020
Financial and business planning for farmers and growers	This programme provides direct engagement with the finance sector to assist with transition to sustainable production methods. This will build communities' ability to cope with change and long-term resilience to environmental pressures.	\$1.47m for 2020/21- 2022/23 through Budget 2020

PROACTIVE RELEASE