

Cyclone recovery MSD update Month of October 2023

Context

This report is an update on the Ministry of Social Development's key monitoring in response to the severe weather events in 2023 (Auckland Flooding in Jan 2023 and Cyclone Gabrielle in Feb 2023).

This includes key updates on how the Ministry is supporting affected regions through income support, employment, and community programmes.

What's been achieved?

- MSD in their lead coordination role for the Social Sector Recovery Plan have been working with Regional Public Sector Commissioners (RPSC's) and Recovery Managers to support the decision making on where investment for priority areas and needs in their Regional Recovery Plans, is best allocated.
- Final decisions on funding allocation have been reached in most regions. Procurement processes have been completed and funds have been distributed to agreed partners to progress the social outcomes indicated in the Regional Recovery Plans.
- The All of Government Funders' Forum (which includes the Regional Public Service Commissioners) continues to meet regularly as a national Cross-agency clearinghouse.

Insurance Exemptions

Ordinarily, insurance payments, donations, land buyouts and kaupapa Māori pathway payments following the North Island severe weather events may have impacted people's eligibility for financial assistance from the government.

In October 2023, Cabinet agreed to amend regulations so that certain payments and any interest derived from them are exempt for the purposes of:

- determining a person's income, or eligibility for accommodation supplement, or temporary additional support entitlements under the Social Security Act 2018
- the means assessment to determine a person's eligibility for financial support for long-term residential care under the Residential Care and Disability Support Services Act 2018
- determining the income of a student, or their spouse or partner, for the purposes of assessing the student's eligibility for student allowances.

These changes apply only for the period starting on 6 November 2023 or the date on which the relevant severe weather event payment is made (whichever is later) and ending 12 months after the date on which that payment is made.

Employment

Employment Cyclone recovery funding

Through Budget 2023 the Government is investing an additional \$35.2m over two years to deliver expanded and new employment programmes to affected regions. Of this:

- › \$7.850 million has been allocated to regional initiatives that are nationally supported i.e., initiatives such as Jobs and Skills Hub and Click to Enrol.
- › \$28.350 million has been allocated to a regional response fund for regions to respond as needs emerge.

The Infrastructure Commission has released its construction workforce projections, giving regional insights into potential labour demand for the recovery. This information has been distributed to affected regions to assist with their planning and coordinating their recovery efforts.

Under its multi-category appropriation, MSD has deployed several initiatives in response to the North Island Weather Events:

- › Regional employment teams are engaging with employers to explore opportunities for effective early involvement for people at risk of job displacement and focussing on supporting redeployment, work retention and retraining.
- › Using existing employment products i.e., such as Flexi-Wage to support those at risk of long-term benefit receipt or at disadvantage in the labour market to gain training and develop work skills that support them into lasting employment.

MSD's Industry Partnerships team continues to build strategic relationships within the civil sector and is contracting programmes such as:

- › ATD Services Limited (ATD) have been contracted for 70 participants, with a final 10 having just completed. ATD provide a Wheels, Tracks and Rollers programme that includes closely supervised on-machine training. They are linked to the Civil Contractors NZ membership and the Hawkes Bay Skills and Jobs Hub. To date they have achieved 33 participants have been helped off benefit.
- › Besafe Training Limited have completed their first contract in Auckland, preparing 78 participants for Civil Plant Operations and Deconstruction. 42 are in the post-programme placement period, with 15 off-benefit. Besafe are linked to the Auckland Council Ngā Puna Pūkenga Skills for Industry programme (funded under Budget23) preparing to support "Making Space for Water" projects. They work closely with Auckland North and West and Auckland South, as well as being aligned to the Northern Jobs and Skills Hub.



Employment

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The Tairāwhiti Jobs and Skills Hub has been open for over a month and has been focused on establishing itself in the community and building relationships with employers. Early insights from these employer and community relationships are being used to inform funding proposals so the Hub can develop or fund necessary training programmes to enable employment outcomes. Since the 9th of October the Hub has supported two people into employment, two people into Cadetships and one person into an Apprenticeship with another 36 people registered to look for work.

The Hawke's Bay Jobs and Skills Hub have recently completed a programme in Wairoa aimed at teaching whānau to complete basic repairs on flood-damaged homes such as replacing gib and insulation. The programme was put together with Wairoa District Council, K3, Tumu, Wairoa Work and Income and Enabled Wairoa and delivered by the Training Facilitator who is a qualified builder. Four homes were repaired, nine people gained their SiteSafe certification, learned how to perform basic repairs, and are taking steps to obtain Building, Construction and Allied Trades Skills Level 2. The Hub will continue to support people to further upskill and get into mahi in the construction industry.



Benefit numbers

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Table 1: Number of working-age people receiving main benefits in selected regions

Region	Month			Monthly change		Annual change	
	Oct 22	Oct 23	Oct 23	Number	%	Number	%
Tāmaki Makaurau	103,143	109,539	110,418	879	0.8%	7,275	7.1%
Bay of Plenty	27,774	28,935	28,998	63	0.2%	1,224	4.4%
Hawke's Bay	14,367	15,120	15,036	-84	-0.6%	669	4.7%
Manawatū-Whanganui	22,218	23,292	23,148	-144	-0.6%	930	4.2%
Te Tai Tokerau	19,899	20,733	20,643	-90	-0.4%	744	3.7%
Tairāwhiti	5,637	6,072	6,018	-54	-0.9%	381	6.8%
Waikato	38,910	41,031	41,253	222	0.5%	2,343	6.0%
Wellington	31,113	32,238	32,418	180	0.6%	1,305	4.2%
National	344,418	362,094	363,369	1,275	0.4%	18,951	5.5%

In the month of October, all regions impacted by the North Island weather events saw the number of main benefit recipients remain similar to the previous month, with changes of less than one percent.

When compared to the previous year, all regions saw an increase in the number of main benefit recipients.

Since May 2023, there has been a rising trend in benefit numbers across Aotearoa New Zealand, likely relating to multiple factors such as extreme weather events, and signs that the economy is weakening. Benefit number trends across the different regions are also likely to reflect external factors, and are expected to continue rising based on Treasury's expectation of a period of low economic growth, which will then affect the labour market.

Next steps

1. MSD will continue to work with RPSC's and Recovery Managers and their Units and other Agencies to update and facilitate priority activities in the social area of the Regional Recovery Plans.
2. MSD will continue to work with regions on the remaining regional allocations for the Social Sector Recovery Plan, which includes the NIWE Food Secure Communities Funds, to enable the continued implementation of Regional Plans.