

Cyclone recovery MSD update

Month of July 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 January 2023 and Cyclone Gabrielle in February 2023).

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

What's been achieved?

- > On 28 June 2023, the Extreme Weather Recovery Committee approved the drawdown of the first tranche of funding of \$20.65m under the \$30m tagged contingency to implement the Social Sector Recovery Plan. MSD has responsibility for \$14m of the \$20.65m:
 - > Mental Wellbeing Fund to support and build resilience of communities (\$3m)
 - > Mental Wellbeing Fund for people impacted by land zoning changes in Hawke's Bay, Tairāwhiti and Auckland (\$1.5m)
 - > Iwi and Community Infrastructure Fund for NIWE regions (\$8m)
 - > Iwi and Community Infrastructure Fund for non-NIWE regions (\$0.5m)
 - > All-of-Government Communication Fund (\$0.5m)
 - > MSD administration (\$0.5m).
- > Regional Recovery Plans will determine where funding needs to be allocated across the motu. We're working with Regional Public Sector Commissioners, Recovery Managers, and Regional Commissioners to determine where investment is best placed for prioritized areas and needs. In addition, we are ensuring that additional Ministry of Social Development funding such as Community Connectors and Food is rolled out in impacted regions to support people, whānau and communities affected by the floods and Cyclone Gabrielle.
- > MSD has established an All of Government Funders' Forum (which includes the Regional Public Service Commissioners) as a national cross-agency clearinghouse for any high-level strategic, policy, or operational matters, and risks and issues relating to the social sector and community recovery.

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.

Regions continue to work closely with their local partners on regional recovery plans as they await the release of the workforce pipeline from the Infrastructure Commission.

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 that provide insights and intel relevant to recovery (including the Construction Sector Accord, Commissions, Government agencies and Workforce Development Councils, and large sector employers).

10 Enhanced Taskforce Green (ETFG) teams, and a total of 62 people have been deployed across weather-affected regions as of mid-August. ETFG involves employing people in projects focussed on supporting recovery work such as removing debris from land, fences, and waterways as well as silt removal.

A new Tairāwhiti Jobs and Skills Hub will be established for two years as a “pop-up” hub with a focus on cyclone recovery and clean up through construction and infrastructure. The Hawke’s Bay Jobs and Skills Hub is also supporting cyclone recovery opportunities.

Benefit numbers

Benefit numbers

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

Benefit	Month			Monthly change		Annual change	
	Jul 22	Jun 23	Jul 23	Number	%	Number	%
Hawke’s Bay	14,394	14,568	14,631	63	0.4	237	1.6
Tairāwhiti	5,592	5,874	5,922	48	0.8	330	5.9
Unimpacted regions	163,074	164,604	166,068	1,464	0.9	2,994	1.8

In July 2023, the number of main benefit recipients for Hawke’s Bay, Tairāwhiti and unimpacted regions remained relatively unchanged when compared to the previous month, with small increases of less than one percent.

When compared to 2022, Hawke’s Bay saw an increase of 1.6 percent in the number of main benefit recipients. This annual change was less than what was observed in unimpacted regions.

When compared to 2022, Tairāwhiti saw an increase of 5.9 percent in the number of main benefit recipients. This annual change was higher than what was observed in unimpacted regions.

Since January 2023, there has been a rising trend in benefit numbers across New Zealand, likely relating to multiple factors such as the extreme weather events, and signs that the economy is weakening. Benefit number trends across the different regions are likely to also partially reflect these 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 in their role as the lead for the Social Sector Recovery Plan are working with the Cyclone Recovery Unit (CRU), regional teams, and other Agencies on triaging the Regional Recovery Plans which will be presented to the Extreme Weather Recovery Committee (EWRC). MSD is also working with other agencies and external stakeholders to determine workforce needs throughout the recovery phase.
2. MSD will continue to work with regions on regional allocations for the Social Sector Recovery Plan, NIWE Food Secure Communities Funds, and on Community Connector FTE allocations to enable implementation of Regional Plans.