

Summary of The Primary Sector Recovery Policy

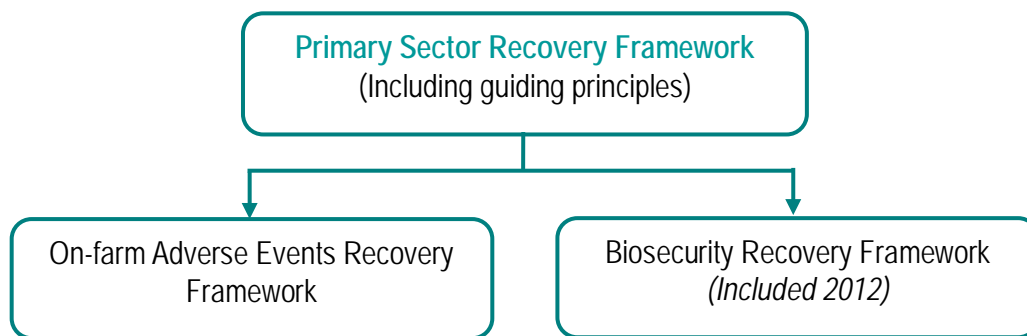
The Primary Sector Recovery Policy ('the Policy'), administered by the Ministry for Primary Industries (MPI), guides government decisions on recovery assistance following adverse climatic events/ natural disasters ('adverse events') and biosecurity incursions impacting on-farm. The Policy provides consistency for government support to facilitate speedy recovery of the sector.

'Farm' in this context includes agriculture, aquaculture, forestry and horticulture. The downstream sectors and urban communities, including the processing industries, are excluded from the scope of the Policy.

The Primary Sector Recovery Policy:

- protects the Government from making decisions that are precedent-setting and have greater fiscal risk;
- helps to constrain Government spending by setting guidelines for on-farm recovery assistance;
- provides stakeholders with confidence in managing their own risks and certainty that their risk management investments will not be undermined by ad hoc Government decisions; and
- ensures the Government acts fairly to citizens in need.

In June 2012, Cabinet agreed to the Primary Sector Recovery Policy as an umbrella policy to cover an existing 'On-farm Adverse Events Recovery Framework', and to extend the Policy to include a new 'Biosecurity Recovery Framework'.



The Policy includes:

- an overarching set of principles. These principles emphasise that individuals, communities and industry must take all reasonable steps to mitigate and manage risks before government assistance is considered;
- separate criteria for classification of an adverse event or a biosecurity incursion as localised, medium or large-scale; and
- the forms of government assistance (recovery measures) available for the rural sector depending on the classification and whether it is an adverse event or a biosecurity incursion.

The 12 guiding principles of the Primary Sector Recovery Policy

- i. The Crown is not the insurer of first or last resort;
- ii. The primary responsibility for risk management lies with individuals, local communities, local government and industry; and these groups must take all reasonable steps to mitigate and manage risks;
- iii. The Crown provides incentives for risk mitigation and management, so any recovery assistance is contingent upon the expectation that reasonable steps to manage and mitigate risks have been taken;
- iv. Assistance is aligned with Local Government, industry, and community group recovery; on-farm adverse events recovery policy; biosecurity compensation provisions under the Biosecurity Act 1993; the Government Industry Agreement for biosecurity readiness and response; and the Government's 1999 Recovery Plan for Natural Disasters and Emergencies within New Zealand;
- v. The Crown meets basic family welfare needs, if necessary, in a timely manner through appropriate and equitable measures;
- vi. Assistance is based on restoring community capacity for self help and ensuring recovery occurs at optimal speed;
- vii. Recovery assistance is delivered efficiently and minimises the Crown's fiscal risk;
- viii. The Crown is seen to be acting fairly and reasonably to citizens in hardship while recognising the role of individuals, local communities, local government and industries during the recovery process;
- ix. Assistance is scalable and based on the economic, environmental and social impact on the wider community and whether the community has the capacity to cope, rather than focusing on recovery at an individual level;
- x. Biosecurity compensation is paid only for verifiable losses that were the direct result of the actions of the Crown, not the effect of the incursion, so that the recipients of compensation are no better or worse off than others who are not eligible for compensation;
- xi. Assistance does not interfere with current commercial solutions, i.e. private insurance, nor preclude the development of commercial solutions where they currently do not exist; and
- xii. Assistance is consistent with New Zealand's obligations under the World Trade Organisation (WTO).

Assessing and Classifying Adverse Events and Biosecurity Incursions

Each event/incursion is classified (not declared) as either localised, medium or large-scale. This assessment is based on:

- the risk management options available for farmers to prepare for the event;
- magnitude of the event/incursion; and
- capacity of the community to cope.

MPI consults with a number of parties (regional policy staff/agents, rural support trusts, relevant regional and/or district councils, local civil defence and emergency management (CDEM) groups, industry organisations and other organisations). Based on the information collected MPI advises the Minister for Primary Industries on the proposed classification of the event and the geographical extent of the event.

For medium or large-event scale events either MPI or the Minister for Primary Industries will classify the event and recovery measures, and publically announce these. Neither MPI nor the Ministry for Primary Industries will publically announce localised events. However, Councils can acknowledge the impacts on their local community.

The classification of an event has no legal standing. The classification is also independent of any declaration of an emergency under the Civil Defence Emergency Management Act 2002 or any other statute.

The criteria used for classifying an adverse event is different from a biosecurity incursion (see Appendix 1). The matrix for classifying a biosecurity incursion includes a number of additional criteria, such as reference to Government Industry Agreements¹ and the need to mitigate risks.

The classification is applied for a defined period of time, although the end date can be extended to enable recovery measures to continue to be available as appropriate to assist with the recovery.

Recovery Measures

Additional recovery measures may be made available for medium or large-scale events. Some assistance is also dependent on consultation and agreement with other relevant Ministers. For example the Ministry of Social Development administers and funds Enhanced Taskforce Green and Rural Assistance Payments. Appendix 2 outlines the measures available, where they apply, who administers them and the maximum period the measures are available under the Policy. The actual measures used, however, will be determined in respect of each event considering how each measure can enable the community to better cope.

The Biosecurity Recovery Framework does not include Special Recovery Measures for large-scale biosecurity incursions. As part of the response, however, compensation may be payable as a result of directions made under Biosecurity Act 1993 irrespective of the scale of the biosecurity incursion.

Rural people and communities affected by emergencies may also be eligible for compensation and other forms of assistance outside of this Policy.

The role of MPI, Rural Support Trusts and other organisations

During and following an adverse event or biosecurity incursion MPI will:

- Assess the event's impact, including how impacts may change over time (for example, a drought is a slow moving event, whereas a biosecurity event may mean that the response is evolving over a long period of time with increasing impacts);
- Propose the classification of the event as either localised, medium or large-scale, and the estimated time that the event will require possible recovery measures (and to extend, when appropriate);
- Report to and advise Ministers on the most appropriate recovery measures. This may include appointment of a Rural Recovery Coordinator in some circumstances (such as when an event is across multiple regions);
- Meet the cost of MPI recovery measures from its Adverse Events Contingency Fund (and apply for increased funding where necessary);

¹ A "Government Industry Agreement" (GIA) is an agreement made in accordance with [section 100Z](#) of the Biosecurity Act 1993 between the Crown (Director-General of MPI) and one or more industry organisations, and can include provisions on a number of matters including joint decision-making, cost sharing and variations to compensation provisions around readiness and response activities. GIAs explicitly exclude recovery.

- Oversee the recovery programme; and
- Monitor and report on the event and the recovery measures in place.

Rural Support Trusts are autonomous, charitable trusts that help people and families in the wider rural community who experience a climatic, financial or personal adverse event to more effectively meet and overcome these challenges. Services are free and confidential.²

MPI funds each of the 14 Rural Support Trusts, for maintaining a baseline capacity in the rural community for adverse events, and provides additional funding in accordance with the Policy for classified events. During a medium or large-event MPI actively works with the relevant Rural Support Trust(s) as the key on-ground resource supporting rural communities. The Trusts deliver MPI's recovery measures to those that need this support, and liaise with the local government agencies on the other measures.

Rural Support Trusts also need to work closely with CDEM Groups to ensure there is a coordination of effort across rural and urban communities. The Trusts and MPI also connect with CDEM Groups in accordance with the new arrangements in the National Civil Defence Emergency Management Plan 2015, particularly around the welfare function.

Other recovery measures under the Policy are delivered through government agencies, such as the Ministry of Social Development and Inland Revenue. These measures are coordinated with other organisations that may be providing other support to the rural sector, including sector organisations, and with CDEM Groups

Nothing in the Policy prevents any individual or organisation from providing assistance to the rural sector in addition to these recovery measures. For example, a Rural Support Trust or CDEM Group may provide additional support at its own discretion and using its own resources and funding.

National Adverse Events Committee (NAEC)

The primary purpose of NAEC is to assist with coordinating primary sector recovery from significant adverse events and biosecurity incursions. Key functions of the committee are to share information and provide advice to its member organisations.

Members of NAEC are:

- **Industry/sector organisations:** Beef+Lamb New Zealand, DairyNZ, Federated Farmers, Glencore Grain, Horticulture New Zealand, Meat Industry Association, New Zealand Bankers' Association, New Zealand Veterinary Association, representatives of Rural Support Trusts, and Rural Women New Zealand.
- **Government agencies:** Department of Prime Minister and Cabinet, Inland Revenue, Ministry of Civil Defence and Emergency Management, Ministry of Health, Ministry for Primary Industries (Chair and Secretariat (Resource Policy), representatives from Policy and Trade, Operations, Biosecurity and Animal Welfare), Ministry of Social Development, and National Institute of Water and Atmospheric Research (NIWA).

² www.rural-support.org.nz/

Further information on the Primary Sector Recovery Policy

Adverse events (including biosecurity incursions): <http://www.mpi.govt.nz/protection-and-response/responding/adverse-events/> This is the main MPI website and includes links to general resources around the Primary Sector Recovery Policy (including classification and assessment), and to specific types of events.

Government Assistance for Climatic Events and Natural Disasters Impacting on Farm: www.mpi.govt.nz/document-vault/3629 This is a brochure for farmers (June 2014) around adverse event assistance along with the responsibilities of individuals and communities.

Rural Support Trust: www.rural-support.org.nz – a hub site that links to the 14 Rural Support Trusts and includes useful resources and information around the role of the Trusts in recovery.

Managing your financial and mental wellbeing <https://mpi.govt.nz/document-valut/11251> – includes an outline of the recovery support that is available under the Primary Sector Recovery Policy and a list of where to go to for more information and support (as at April 2016).

Appendix 1: Event Classification Matrices

CLASSIFICATION OF ADVERSE EVENT MATRIX		SCALE OF ADVERSE EVENT		
		LOCALISED (The majority of the criteria sit within this column)	MEDIUM-SCALE The majority of the criteria sit within this column)	LARGE-SCALE The majority of the criteria sit within this column)
THEMES	CRITERIA	ASSESSMENT/CLASSIFICATION OF THE EVENT		
RISK MANAGEMENT OPTIONS	Availability of options	Readily available.	Moderately available.	No practical options available.
MAGNITUDE OF EVENT	Likelihood of the event	Frequent.	Infrequent.	Rare.
	Scale of physical impact	Local level.	District level/ multi-district level.	Regional/ national level.
CAPACITY OF COMMUNITY TO COPE	Degree of economic impact	Local level.	District level/ multi-district level.	Regional/ national level.
	Degree of social impact	Local level.	District level/ multi-district level.	Regional/ national level.
EXAMPLES		2006 Whangaehu Valley flood 2005 Gisborne flood	2006 Canterbury snow 2015 Taranaki-Horizons Storm 2015 Eastern South Island drought	2004 Lower North Island floods. 1988 Cyclone Bola.
POSSIBLE GOVERNMENT ASSISTANCE		Localised event recovery measures.	Localised event recovery measures + Medium-scale event recovery measures.	Localised event recovery measures + Medium-scale event recovery measures + Special recovery measures.

SOURCE: MPI, AUGUST 2016

CLASSIFICATION OF BIOSECURITY INCURSION MATRIX		SCALE OF BIOSECURITY INCURSION		
		LOCALISED (The majority of the criteria sit within this column)	MEDIUM-SCALE (The majority of the criteria sit within this column)	LARGE-SCALE (The majority of the criteria sit within this column)
THEMES	CRITERIA	ASSESSMENT/CLASSIFICATION OF INCURSION		
RISK MANAGEMENT OPTIONS	Does the party have a "Government-Industry Agreement"?	Yes/ No	Yes/ No	Yes/ No
	Consider any government assistance made already	Low	Medium	High
	Were reasonable steps taken to manage or mitigate risk?	Yes/ No	Yes/ No	Yes/ No
	Risk of incursion	Likely	Unlikely	Rare
	New or pre-existing pest or organism	Been here many years, impact from cumulative conditions.	May have been here many years, but impact is sudden.	Sudden appearance, previously unknown.
MAGNITUDE OF INCURSION	Was a cost benefit analysis carried out?	Yes/ No	Yes/ No	Yes/ No
	Expected duration of incursion	Short-term	Medium-term	Long-term
	Scale – consider both physical impact and movement controls	Minor proportion of industry is moderately affected and a minor impact across a district.	Moderate proportion of industry is severely affected and significant impact across the region.	Nationally important industry /sector, which is significantly affected across a nation.
	Degree of environmental impact	District level/localised/ isolated.	Regional level/ moderate.	National level/ significant.
	Degree of economic impact	District/ isolated industry impact. Export market access, volume and price affects are occurring but minor impact.	Regional impact. Trade restrictions in place for a short period of time. Export market access, volume and price affects are moderate and affecting multiple groups of significance.	National – impact on GDP. Trade restrictions are in place for an extended period of time. Export market access, volume and price affects are significant. Down-stream industries significantly affected.
	Scale of social impact	Localised impact. A few people displaced in the industry/ area.	Regional employment affected. Communities isolated due to movement restrictions. Psychosocial issues becoming evident and far-reaching in the community affected.	National unemployment affecting many industries. Communities isolated for extended periods of time. Psychosocial issues ongoing for years and evident across a range of stakeholders or community groups.
CAPACITY OF COMMUNITY TO COPE	Are recovery needs beyond the industry or community's ability to cope?	Significant at local level.	Significant to a number of industries/ to a region.	Significant at national level
EXAMPLES		Painted apple moth Red imported fire ant	Varroa Kiwifruit Psa	Foot and Mouth BSE Pine Pitch Canker
POSSIBLE GOVERNMENT ASSISTANCE		Localised incursion recovery measures.	Localised incursion recovery measures + Medium-scale incursion recovery measures.	Localised incursion recovery measures + Medium-scale incursion recovery measures.
	Compensation under Biosecurity Act 1993 (for response-related losses) Restoring market access where necessary			

Appendix 2: Recovery Measures where an adverse event or biosecurity incursion has been classified

Measures available		ADMINISTERED AND FUNDED BY	FOR ADVERSE EVENT	FOR BIOSECURITY INCURSION	FUNDING CAP/ TIME LIMITS
Localised Recovery Measures (available on a case-by-case basis)					
Provisional tax	If income is lower than last year, provisional tax can be estimated or re-estimated downwards, until the date that the last instalment is due.	IRD	YES	YES	N/A
Late filing and late payment	Extensions for some income tax returns – not GST or PAYE – may be available; penalties for late filing, or for late payments as a result of the effects of an adverse event, may be remitted.	IRD	YES	YES	N/A
Income Equalisation Scheme	Allows, depending on the circumstances, taxpayers to make late deposits and/or early withdrawals to and from the income equalisation scheme.	IRD	YES	YES	N/A
Tax outstanding	Instalment arrangements for outstanding tax in some circumstances.	IRD	YES	YES	N/A
Additional flexible tax provisions	Other tax provisions may include: losses on farm where certain improvements are destroyed or irreparably damaged; payments or donations from charities are not taxable or liable for GST; flexibility for child support payments; tax treatment of insurance payments in some cases; interest may be deductible where money is borrowed; may be eligible for Earner Tax Credit.	IRD	YES	YES	N/A
Working for Families assistance	Where income has changed, may be offered: childcare assistance for pre-schoolers or after school and holiday care; an accommodation supplement (which may be available to families with or without children); Inland Revenue Tax Credits to help with the cost of raising a family.	MSD & IRD	YES	YES	N/A
Emergency Benefit	Income and asset-tested financial assistance for people who are in hardship, unable to earn enough to support themselves and their family, and are not eligible for any other benefit.	MSD	YES	YES	N/A
Special Needs Grant	Non-taxable, one-off payments for people to meet an immediate need. Do not need to be on a benefit to qualify. It is income and asset-tested and may or may not need to be paid back depending on individual's specific circumstances.	MSD	YES	YES	N/A
Recoverable Assistance Payments	Non-taxable, interest free financial assistance to non-beneficiaries to meet essential immediate needs for specific items or services. Income and asset-tested and must be paid back later.	MSD	YES	YES	N/A
Jobseeker Support	A weekly payment for people looking for full-time work or unable to work due to a health condition, injury or disability.	MSD	YES	YES	N/A
Work and Income non-financial assistance	Help farmers, partners and workers to find off-farm employment.	MSD	YES	YES	N/A
Mentoring/ Advice	Financial negotiation and counselling/mentoring services for rural families and individuals.	Various	YES	YES	N/A

Measures available		ADMINISTERED AND FUNDED BY	FOR ADVERSE EVENT	FOR BIOSECURITY INCURSION	FUNDING CAP/ TIME LIMITS
MEDIUM-SCALE RECOVERY MEASURES (IN ADDITION TO LOCALISED MEASURES)					
Rural Support Trusts	Additional funding during events to provide community support and coordinate a range of medium-scale measures.	MPI	YES	YES	For duration of classified event
Labour assistance - Enhanced Taskforce Green (ETFG)	This is an 'enhanced' labour assistance scheme, managed through local councils, that provides assistance for clean-up and repairs. The enhancements may include assistance for personal safety equipment and machinery.	MSD	YES	IN SOME CIRCUMSTANCES	18 months
Rural Assistance Payments (RAPs)	Payments to people whose main income comes from the primary industries and who cannot meet essential living costs because of the event. Some conditions must be met, which includes checks for other income, personal (non-farm) assets and a cash asset review. These payments are set at 100% of the Jobseeker Support level. Recovery facilitators are also required if RAPs are activated.	MSD	YES	YES	12 months
Technology Transfer Assistance	Grants to provide assistance for education and technical advice on recovery options relating to financial and contingency planning, including animal welfare. The grants can be used for activities including workshops, meetings and brochures.	MPI	YES	YES	18 months
Rural Recovery Coordinator	MPI may appoint a person to coordinate rural recovery across regions and the parties.	MPI	YES	YES	Event dependent
Recovery Facilitator(s)	The Government may appoint Agricultural Recovery Facilitators who coordinate the response and recovery initiatives in a defined area (e.g. a district). Necessary when administering RAPs.	MPI	YES	YES	18 months
Volunteer costs	Costs are met for volunteer travel and accommodation.	MPI	YES	YES	18 months
Community engagement	Costs to enable dissemination of key information.	MPI	YES	YES	Event dependent
LARGE-SCALE RECOVERY MEASURES (IN ADDITION TO LOCALISED MEASURES AND MEDIUM-SCALE MEASURES)					
Special Recovery Measures	Reimbursed grant set at 50% of verified costs, with excess of \$10,000 or 10% qualifying damage costs. To a maximum of \$250,000 per farm business	MPI	YES	NO	18 months