



## COVERSHEET

<b>Minister</b>	Hon Grant Robertson	<b>Portfolio</b>	Finance
<b>Title of Cabinet paper</b>	Interim Response Package for Cyclone Gabrielle and January Flooding – inclusion of the Wairarapa  Cyclone Gabrielle – additional funding injection for interim response, and proposed future work  Cyclone Gabrielle – further funding for business support grants	<b>Date to be published</b>	16 August 2023

### List of documents that have been proactively released

Date	Title	Author
March 2023	Interim Response Package for Cyclone Gabrielle and January Flooding – inclusion of the Wairarapa	Office of the Minister of Finance
7 March 2023	Cyclone Gabrielle: Wairarapa Business Support EWR-23-MIN-0007 Minute	Cabinet Office
March 2023	Cyclone Gabrielle – additional funding injection for interim response, and proposed future work	Office of the Minister of Finance
14 March 2023	Cyclone Gabrielle: Additional Business Support EWR-23-MIN-0018 Minute	Cabinet Office
April 2023	Cyclone Gabrielle – further funding for business support grants	Office of the Minister of Finance
11 April 2023	Cyclone Gabrielle: Business Support Further Funding Injection  CAB-23-MIN-0133 Minute	Cabinet Office

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Extreme Weather Recovery Committee

## Minute of Decision

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### Cyclone Gabrielle: Additional Business Support

**Portfolio**                      **Finance**

On 14 March 2023, the Cabinet Extreme Weather Recovery Committee, exercising its Power to Act in accordance with its terms of reference:

#### **The business support package's grants component is largely exhausted already**

- 1        **noted** that Cyclone Gabrielle has had a significant negative impact on many businesses and the primary sector in Northland, Tairāwhiti, Hawke's Bay, Auckland, and Coromandel, with impacts also being felt in the Bay of Plenty, Tararua District and the Wairarapa;
- 2        **noted** that on 20 February 2023, Cabinet agreed to establish a tagged contingency of up to \$50 million in Vote Business, Science and Innovation to provide for an interim business and primary sector support recovery package [CAB-23-MIN-0044];
- 3        **noted** that on 20 February 2023, Cabinet also authorised the Prime Minister, Deputy Prime Minister, Minister of Finance, Minister for Regional Development, Minister for Economic Development, and the Minister of Agriculture (Joint Ministers) to:
  - 3.1        jointly draw down from the tagged operating contingency to fund an interim business and primary sector recovery package;
  - 3.2        establish any appropriations as necessary to give effect to the interim business and primary sector recovery package;
  - 3.3        determine the distribution of the contingency funding for the business and primary sector recovery package;
  - 3.4        determine the specific contracting and reporting mechanisms for the delivery of the interim business and primary sector recovery package;
- 4        **noted** that on 28 February 2023, Joint Ministers agreed to establish a new appropriation titled *Cyclone – Business support for the impacts of Cyclone Gabrielle and January 2023 weather events* to give effect to the business support package;

- 5 **noted** that Joint Ministers also decided to allocate \$25 million to the interim business support package, to include the following short term supports:
- 5.1 discretionary funding for flood recovery;
  - 5.2 business continuity and resilience advice and support;
  - 5.3 mental wellbeing support;
- 6 **noted** that Joint Ministers decided that most of the business support funding (\$24,150,000) would be allocated to discretionary funding for flood recovery (business support grants), and that these be fully locally operated, with the following seven Local Delivery Partners (LDPs) each allocated a budget for which they are responsible for disbursing to eligible businesses:
- 6.1 Northland (Northland Inc): \$1,875,000;
  - 6.2 Auckland (Auckland Business Chamber): \$1,500,000;
  - 6.3 Waikato (Thames Coromandel District Council): \$1,500,000;
  - 6.4 Bay of Plenty (Toi EDA): \$375,000;
  - 6.5 Tairāwhiti (Trust Tairāwhiti): \$4,537,500;
  - 6.6 Hawke's Bay (Hawke's Bay Chamber of Commerce): \$7,950,000;
  - 6.7 Tararua (Tararua District Council): \$375,000;
- 7 **noted** that because of limited information about the impacts on businesses in each of the affected areas, the budget will be allocated in two tranches:
- 7.1 75 percent (\$18,362,500) was allocated to the LDPs set out above in tranche one, with regional allocations based on the Ministry of Business, Innovation and Employment's best understanding at the time of the relative size of the cyclone's impact on the business community in that area;
  - 7.2 tranche two would then later allocate the remaining 25 percent (\$6,037,500), based on further analysis of needs in each area;
- 8 **noted** that subsequently on 7 March 2023, the Cabinet Extreme Weather Recovery Committee agreed to establish an eighth delivery partner for the Wairarapa, and for that partner to be allocated \$250,000 from tranche two funding, leaving \$5,787,500 remaining [EWR-23-MIN-0007];
- 9 **noted** that tranche one funding has now been made available to each LDP, and that heavy demand has led to the available tranche one budget already being exhausted in Auckland and Tairāwhiti, with Hawke's Bay likely to follow suit shortly;
- 10 **noted** that the Minister of Finance considers that the remaining \$5,787,500 of tranche two funding is insufficient to meet firms' immediate cashflow needs in certain regions, and that an additional \$25 million for the business support package will help many firms remain viable at a time where their expenses greatly outweigh their income;

**An extra \$25 million is proposed for business support grants**

- 11 **agreed** to increase funding for the business support package by \$25 million to enable additional allocations to LDPs in the most affected regions for disbursement to eligible businesses;
- 12 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 11 above, with a corresponding impact on the operating balance and net debt:

Vote Business, Science and Innovation Minister for Economic Development	\$m - increase/(decrease)				
	2022/23	2023/24	2023/24	2024/25	2025/26 & Outyears
Non-departmental Other Expense: Cyclone – Business support for the impacts of Cyclone Gabrielle and January 2023 weather events (funded by revenue Crown)	25.000	-	-	-	-
<b>Total Operating</b>	<b>25.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 13 **agreed** that the changes to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 14 **agreed** to delegate decision making on the fiscal management treatment of this expenditure to the Minister of Finance, following further advice from Treasury;
- 15 **authorised** Joint Ministers to determine regional LDP allocations of the additional business support package funding;
- 16 **agreed** that the allocation of any additional funding to each LDP will be subject to Joint Ministers being satisfied with the approach that they have taken to date, and that there is a demonstrable need for additional grants funding in that region based on spend to date in that region.

**Any further support will be focused on ‘building back better’**

- 17 **noted** that this package was always intended to be an initial interim response to the issues faced by businesses in the affected regions, and should not be the only tool that the government looks to support businesses in affected regions;
- 18 **noted** that officials will continue to monitor the needs of businesses in the affected regions, but that following this funding injection, any further consideration of business supports should focus on helping firms build back better, rather than helping them meet their immediate cashflow needs;
- 19 **noted** that the Minister of Finance has directed Treasury, the Ministry for Primary Industries and the Ministry of Business, Innovation and Employment, working with other relevant agencies, to develop joint advice on options to shape and support business recovery in the medium term;
- 20 **noted** that this joint advice will identify what interventions could be used and when, in order to inform Ministerial decisions for the next phase of the recovery;

- 21 **noted** that the Minister of Finance anticipates that this work will help inform the significant role the government will have in leading discussions around land-use decisions, which will have profound implications for New Zealand's regions and communities.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Carmel Sepuloni  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon Michael Wood  
Hon Kiri Allan  
Hon Stuart Nash  
Hon Nanaia Mahuta  
Hon Barbara Edmonds  
Hon Meka Whaitiri

**Officials present from:**

Office of the Prime Minister  
Officials Committee for EWR