



BRIEFING

North Island Weather Events Primary Producer Finance Scheme (NIWE PPFS) - Recipient impacts report on results of annual survey

Date:	23 January 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0007067

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Note the results of the first annual survey of NIWE PPFS recipients Note that Kānoa – RD & Commercial Services will communicate results and early impacts of the NIWE PPFS on its Grow Regions website	6 February 2025
Hon Todd McClay Minister of Agriculture		
Hon Melissa Lee Minister for Economic Development		
Hon Mark Patterson Associate Minister for Regional Development		

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Isabel Poulson	General Manager, Strategy, Planning and Performance	04 897 5364	021 889 372	✓
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The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Date:	23 January 2025	Priority:	Medium
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Purpose

To report on findings of the first annual survey of recipients of funding from the North Island Weather Events Primary Producer Finance Scheme (NIWE PPFS), and what these results indicate for NIWE PPFS outcomes, in accordance with the NIWE PPFS monitoring, reporting and evaluation framework.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that Kānoa – RD & Commercial Services' monitoring, reporting and evaluation framework for the North Island Weather Events Primary Producer Finance Scheme (NIWE PPFS) requires reporting to Joint NIWE PPFS Ministers on fund outcomes at two-year intervals, and this is the first year of that reporting.
- b **Note** the results of the first annual survey of NIWE PPFS recipients.
- c **Note** that Kānoa – Regional Development & Commercial Services Unit (Kānoa – RD & Commercial Services) will communicate survey results and early impacts of the NIWE PPFS on its Grow Regions website.

Noted

Noted

Noted

Isabel Poulson
**Manager, General Manager, Strategy,
Planning and Performance**
Kānoa – RD & Commercial Services, MBIE

Hon Nicola Willis
Minister of Finance

..... / /

21 / 12 / 2025

Hon Todd McClay
Minister of Agriculture

..... / /

Hon Melissa Lee
Minister for Economic Development

..... / /

Hon Mark Patterson
**Associate Minister for Regional
Development**

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Background

The NIWE PPFS was a \$240m fund to help producers recover from weather events

1. The North Island Weather Events Primary Producer Finance Scheme (NIWE PPFS) was a \$240 million fund established in June 2023 under the previous government. Its purpose was to help North Island land-based primary producers impacted by the North Island weather events of early 2023, including the Auckland Anniversary Weekend floods and Cyclone Gabrielle [EWR-23-MIN-0050].
2. The Cabinet Extreme Weather Recovery Committee noted the significant impact of the weather events, with an estimated total damage to all physical assets of between \$9 billion and \$14.5 billion. Cabinet noted that the capital needs of some businesses would not be met through conventional channels [EWR-23-MIN-0050]. The total on-farm impact was provisionally estimated at \$2-\$2.4 billion. This included a \$600 million to \$700 million rebuild for the horticulture sector and \$100 million to \$300 million needed from external sources for farms at risk of financial failure [EWR-23-MIN-0050 Appendix Four].
3. Cabinet agreed the NIWE PPFS would be delivered by Kānoa – Regional Development & Commercial Services (Kānoa – RD & Commercial Services) [EWR-23-MIN-0050]. Kānoa – RD & Commercial Services contracts and manages NIWE PPFS loans on behalf of Crown Regional Holdings Limited (CRHL). CRHL is a Crown-owned company that holds loan, equity, and asset investments made through regional economic development funds.
4. The NIWE PPFS funding was available to severely impacted businesses located partially or wholly in the following North Island regions:
 - i. Te Tai Tokerau / Northland
 - ii. Auckland
 - iii. Waikato
 - iv. Bay of Plenty
 - v. Tairāwhiti / East Coast
 - vi. Hawke's Bay
 - vii. Taranaki
 - viii. Wairarapa.

Funding was available to viable, but severely impacted producers who could not access finance

5. NIWE PPFS was only available to severely impacted land-based primary producer businesses that had a likelihood of being commercially viable but, at the time, were unable to access finance from their bank or other usual lender without government support. The support was intended to provide businesses with the minimum level of funding required to enable them to re-engage with commercial lenders and support a market-led response to recovery [EWR-23-MIN-0050].

It provided concessionary loans and equity finance

6. NIWE PPFS provided highly concessionary loans and equity finance for land-based primary sector producers in affected regions. This included interest-free loans in times of negative cashflow, and concessional rates for restoring positive cashflow.

7. The NIWE PPFS closed on 30 June 2024, having allocated a total of \$142.9 million of loan funding to 32 projects. Ongoing management of projects funded under the scheme continues to be undertaken by Kānoa – RD & Commercial Services.

An annual survey of recipients is performed to inform on fund outcomes

8. The NIWE PPFS monitoring, reporting and evaluation framework provided for an annual survey of fund recipients to gather information on fund delivery (in the first year of the fund) and on fund outcomes (short, medium and long-term), and to report on this to Joint Ministers. This paper outlines the results of the first annual survey that took place in July 2024.
9. Questions in the survey indicate how well the fund has performed against its impact performance measures outlined in Table 1 below.

Table 1: Recipient impacts performance measures and annual survey questions

Outcome period	Outcome performance measures	Annual survey questions
Direct / short-term outcomes	<p>Recipient businesses have enhanced access to the necessary funding.</p> <p>Recipient businesses have enhanced financial stability.</p>	<p>1. How important has NIWE PPFS funding been for your business recovering from the 2023 North Island weather events?</p> <p>2. How easy did you find the process of applying for NIWE PPFS funding? [1st year survey only]</p>
Medium-term outcomes	<p>Preservation of recipient businesses' operations.</p> <p>Recipient businesses show enhanced viability and resilience.</p> <p>Recipient businesses are contributing to recovery of the regional labour market.</p> <p>Job preservation and creation in impacted communities.</p> <p>Stability in the region's primary sector.</p>	<p>3. How timely did you find the process from application to approval? [1st year survey only]</p> <p>4. How important has NIWE PPFS funding been for your business's financial stability after the 2023 weather events?</p> <p>5. How effective has NIWE PPFS funding been for enabling your business to re/engage with commercial lenders?</p> <p>6. At what level is your business operating now compared to before the 2023 weather events?</p> <p>7. How viable is your business now?</p>
Long-term outcomes	<p>Economic resilience of supported primary producers and regions to future weather-related shocks.</p>	<p>8. Compared to before the 2023 weather events, how resilient is your business now to weather events of a similar magnitude?</p> <p>9. What are your employment levels like now compared to before the 2023 weather events?</p>

Annual survey results – direct to short-term outcomes

Recipients say the funding was important to their recovery from the weather events

10. Twenty-four of thirty NIWE PPFS recipient businesses contracted at the time of the survey responded. Many were contracted only recently and two were not yet contracted at the time of surveying and so were not included. Of the twenty-four, twenty-three found the funding

‘extremely important’ to their business recovering from the 2023 North Island weather events, and one found it ‘very important’.

But they didn’t find the application process easy and timeliness varied

11. Fourteen out of twenty-four recipients reported accessing funding was ‘neither easy nor difficult’, but seven found it ‘difficult’. A couple found it ‘easy’ or ‘very easy’ and one found it ‘very difficult’. The timeliness from application to approval varied widely. Nine found it ‘untimely’ or ‘very untimely’, ten found it ‘timely’ or ‘very timely’, while five found it ‘neither timely nor untimely’.
12. Kānoa – RD & Commercial Services needed to gather the necessary information from applicants and banks to ensure applicants weren’t able to access alternative funding but were still viable (among other criteria). This meant that the expression of interest and application process was involved and took time.

For financial stability, all recipients found the fund very to extremely important

13. Twenty of the twenty-four responding recipient businesses found the funding ‘extremely important’ to their business’s financial stability after the weather events, and the other four found it ‘very important’.

Half found it very to extremely effective for engaging with commercial lenders

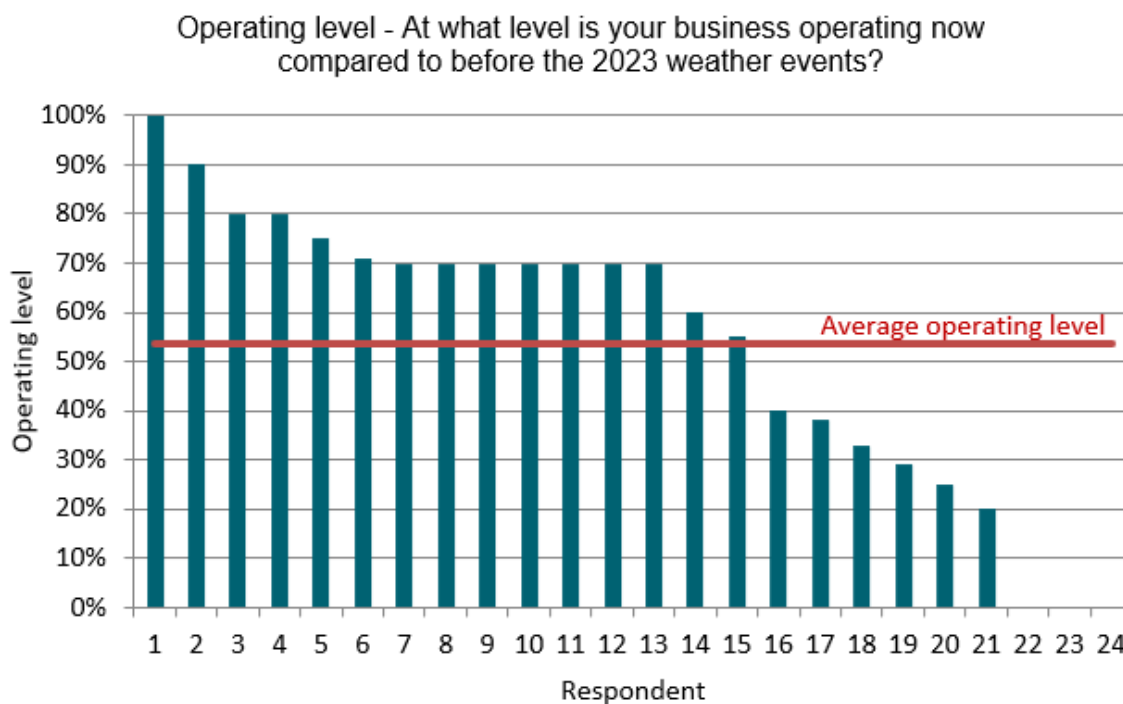
14. Thirteen of the twenty-four recipient businesses found the funding ‘very’ to ‘extremely effective’ for enabling their business to engage or re-engage with commercial lenders. A quarter (six) found it somewhat effective in this, and four found it ‘not so effective’ or ‘not at all effective’.

Annual survey results – medium-to-long-term outcomes

15. The following responses are from questions designed to elicit responses on medium-to-long-term outcomes. At this stage, the responses are very early-stage, but each year the survey will generate new data to show how these outcomes have shifted. The questions tie the responses back to the pre-weather event levels as the baseline.

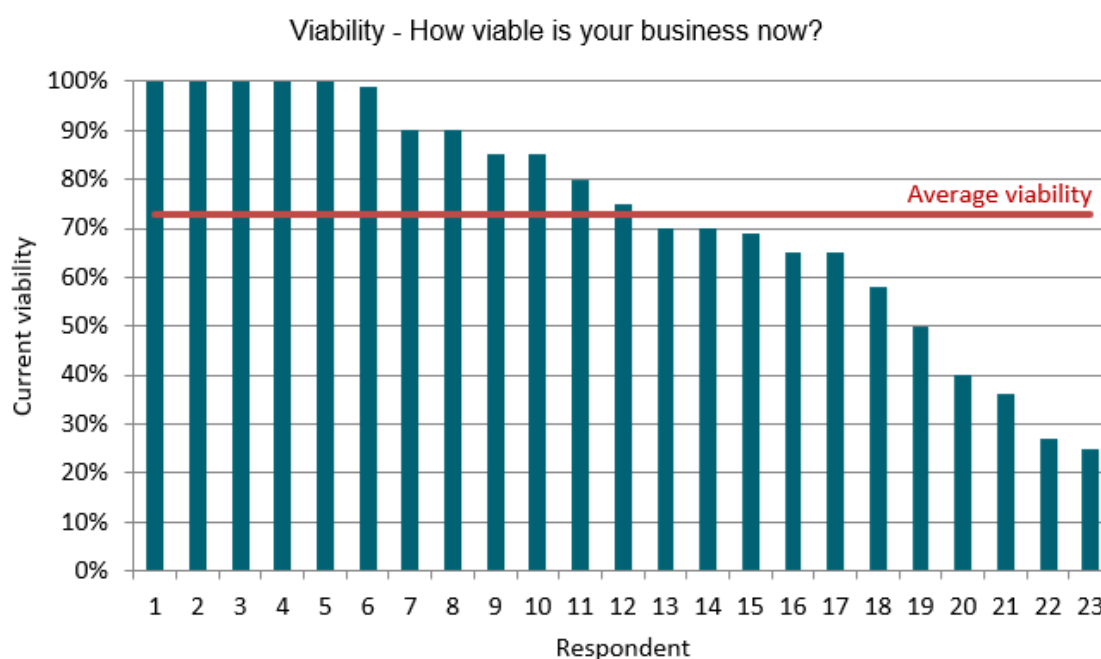
Operating levels were below 100 per cent of pre-weather event levels for nearly all

16. The average operating level of businesses now compared to before the 2023 weather events was 54 per cent. Almost all businesses responding to this question were operating below 100 per cent at the time of the survey. This can be expected to lift as businesses recover.



Current viability levels averaged 73 per cent but a few were below 40 per cent

17. A quarter of business recipients responding to this question considered their current viability to be 100 per cent or very nearly 100 per cent of their pre-weather event levels. Average viability was above 70 per cent, but a few felt their viability was at quite low levels (25-40 per cent).
18. Note that in establishing the NIWE PPFS, the Crown took on a subordinated debt position (allowing commercial lenders to take security over lending) to provide loans, which in turn required accepting a higher level of default risk [EWR-23-MIN-0050]. Kānoa – RD & Commercial Services monitors the risk status of all 32 NIWE PPFS projects on behalf of CRHL and escalations for CRHL-held investments are provided to the Minister of Finance and the Minister for Regional Development via the CRHL quarterly report [REQ-0007473].



Funded businesses are now ‘more’ or ‘much more resilient’ to future weather events

19. Nineteen of the twenty-three businesses responding to the question felt their businesses were now ‘more’ or ‘much more resilient’ to weather events of a similar magnitude to the 2023 weather events. Only one considered they were ‘less resilient’, and three ‘about the same’ level of resilience as before.

Over half of businesses are employing at more than 80 per cent of pre-weather event levels

20. On employment, eight of the twenty-three businesses were already employing at levels the same as before the 2023 weather events. Another seven were at levels around 80 per cent of pre-weather events or higher, and seven were between 45-80 per cent. One was at only 21 per cent of pre-weather event levels.

Annual survey results - open-ended responses

Businesses praised the fund and its administrators, some criticism of timeliness

21. The last question of the survey asks respondents for any comments they wish to make about the NIWE-PPFS. The twenty-two responses could be divided into three main themes (comments can include more than one theme): praise for the fund (nine), praise for the Kānoa fund administrators (nine), and criticism, mostly in regard to timeliness (five).

Annual survey results – overall performance against fund outcomes

Survey results indicate that the fund met its short-term measures

22. The direct to short-term outcomes performance measures for the first year of the fund were that recipient businesses had ‘enhanced access to the funding needed for recovery from the North Island weather events’ and ‘enhanced financial stability’. The overall findings of the first annual survey indicate that these early measures have largely been met, with all responding businesses emphasising the importance of the fund to their businesses’ recovery, even though the process of applying was not easy or timely in all cases.

Ongoing surveys will indicate when and if longer-term outcomes are met

23. Most funded businesses are not back to pre-weather event operating levels yet. Future annual surveys will provide results on how businesses are performing on the medium-term (and longer-term) outcomes of ‘preservation of recipient businesses operations’, ‘enhanced viability and resilience’ (although this is already showing good results), ‘job preservation’, and ‘stability in the region’s primary sector’.
24. Note it is possible that some recipients’ businesses will fail if they face additional costs and no additional funding [REQ-0007473]. Such failures, if they occur, will be incorporated in the interpretation of findings from future annual surveys on the impacts of the fund. Note also that ongoing and regular monitoring of projects, including risk management, occurs as standard practice for Kānoa – RD & Commercial Services in its management of contracts.

Next steps

NIWE PPFS Surveys will be delivered annually to 2028

25. A survey on NIWE PPFS outcomes is to be produced annually to 2028 according to its monitoring, reporting and evaluation plan. The next surveys will not include the questions on the application process, as that is now closed, but will continue to ask about impacts and

outcomes. The next report on the findings of these surveys against the medium-term outcome performance measures is due to Joint Ministers in November 2026.

Kānoa will communicate results on the Grow Regions website

26. Kānoa – RD & Commercial Services will communicate the results of the survey/s, and the early impacts of the NIWE PPFS, on its Grow Regions website.

Annexes

Annex One: North Island Weather Events Primary Producer Finance Scheme annual survey questionnaire (year one)

Annex Two: North Island Weather Events Primary Producer Finance Scheme 2024 annual survey results

Annex One: North Island Weather Events Primary Producer Finance Scheme annual survey questionnaire (year one)

Attached

Annex Two: North Island Weather Events Primary Producer Finance Scheme 2024 annual survey results

Attached