

# East Coast Rural Support Trust

## Background

The progressive de-regulation of the New Zealand farming sector from 1984 and the concurrent general recession in farm product prices created much financial and personal difficulty for many farmers and their families, particularly those with high debt. In response to this the New Zealand Rural Trust was set up in 1988 by sympathetic individuals, farming organisations and financiers, with government assistance.

Droughts on the East Coast of both islands compounded the problems and by mid-1991, when the Trust ceased operations, over 5000 farming families, or nearly 10percent of the nation's farmers, had been assisted with rehabilitation and restructuring by its Rural Co-ordinators. The Government then subsidised rural support work dollar for dollar through its Rural Co-ordinator Programme until mid 1994 when all regular Government funding ceased.

Further adverse climatic events in the form of hailstorms, floods, droughts, etc., together with the general low levels of profitability in farming have meant that the need for such work has not receded. As at mid 1998, there were 8 rural support organisations employing 11 Coordinators throughout the country, together with a number of smaller social support type groups.

These now all rely totally on donations and grants for their funding.

## The East Coast Rural Support Trust

is a Charitable Trust set up in 1991 by a group of concerned people. It provides a permanent support service which can "swing into action" rapidly on the East Coast of the North Island from Cape Palliser to East Cape. Four co-ordinators are employed in this area, one in Gisborne, Hawkes Bay, Tararua and the Wairarapa.

The Patron is: Bay de Lautour, farmer, of Takapau

The Trustees are:

Neil McLaren (Chairman), farm consultant, of Masterton, Ben Read, farmer of Pahiatua, Brian D'Ath, orchardist, of Hastings, John Moroney, farmer of Gisborne.

Each Co-ordinator is supported by a committee of volunteers.

## Objective

To assist people and families in the wider rural community who are experiencing any adverse event – financial, climatic or personal – to more effectively meet and overcome the difficulties.

This objective is usually met and achieved through:

- Developing, analysing and advising on options and actions to take.
- Working with financiers to resolve financial and debt problems, including restructuring.
- Negotiating with creditors.
- Liaising with and making referrals to other "professional" advisers and local support groups.
- Arranging income support and related applications.
- Carrying out, with or on behalf of other agencies, any specific assistance programmes in the rural community.

## Why a special rural support service?

Adverse events are more a part of rural than of urban life because rural people:

- Face far greater fluctuations in annual incomes due to the weather and the international marketplace.
- Have much larger amounts of capital at risk which generally produce a low return in the form of income – often insufficient to meet essential living costs.
- Often live in isolated areas without support networks.
- Usually have their “home” and “business” at the same place and threats to the business will put the family home at risk.
- Were the first industry sector to be de-regulated in 1984 and so have undergone at least as much and probably more radical change than any other sector.

As rural and related industry still comprises the largest sector of the New Zealand economy, the fortunes of the country at large and the rural towns in particular have always been and still are inextricably linked to those of rural people. As well as sharing the pain in “bad times,” the country and urban people benefit from the achievements of these risk-takers in the “good times.” In recognition of this, the Trust also assists urban people and businesses in rural towns, in some circumstances.

Early involvement of rural co-ordinators has produced negotiated solutions which have minimised losses and disruptions to financiers, creditors and others, whilst assisting rural people to get “back on their feet” and contribute to the economy with confidence and dignity – either still within the industry or outside of it.

The Trust considers such a service to be socially and economically valuable to the community at large, that is, it is a case of what is good for people is also good for the economy.

### The Trust cannot

- Change the current economic climate or commercial processes and will not allow itself to be used in any attempt to do this.
- Provide capital for debt reduction.
- Coerce parties into accepting a solution – their role is that of a facilitator to assist and guide in an impartial, informal and compassionate manner.

### The Trust is

- Independent – of Government or commercial interest and of agricultural or party politics.
- Free and available – to all in the wider rural community.

Strictly confidential – in all its dealings.

If you need to talk to someone who will travel to you to listen and help or you know of someone else that does, please contact or encourage others to contact:

Wairarapa Bruce Watkins ph 06 378 6895

Tararua Chris Southgate ph 06 374 2740 home, 06 374 9862 work

Hawkes Bay Hugh McPhail ph 06 858 4361

Gisborne David Scott ph 06 868 4840