Pillar 2: Filling service gaps with additional services: Providing support for foodbanks, food rescue and community food services in the COVID-19 recovery.

Submission Seeking Funding for COVID-19 Related Costs

Funding sought

Operating funding Sought (\$m)	2019/20	2020/21	2021/22	2023/24 2022/23 & Outyears	Total
Vote Social Development: Community MCA	2.0m TBC If CDEM support ends prior to end June.	20.0m	20.0m		40.0m
Total		20:0m	20.0m		40.0m (or 42.0m)

Capital funding Sought (\$m)	2019/20	2020	121 20	21/22	2022/23	2023/24
Vote X:						
Vote Y:						
Total						
	2024/25	2025/26	2026/27	2027/	/28 2028/2	9 Total
Vote X:						
Vote Y:						
Total	>					

Funding sought to be reprioritised

	Operating funding (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears	Total
1	Vote X:						
1	Vote Y:						
1	Total						

Capital funding (\$m)	2019/2	0 202	0/21	20	21/22	20	022/23		2023/24
Vote X:									
Vote Y:									
Total									
	2024/25	2025/26	20	26/27	2027	7/28	2028/2	9	Total
Vote X:									
Vote Y:									
Total									

Overview of COVID-19 pandemic related funding or initiative

Answer
Providing support for foodbanks, food rescue and community food services in the COVID-19 recovery.
Hon Carmel Sepuloni, Minister for Social Development
N/A
Social Development
This initiative contributes to Waves 1 -3 of the Economic Response. It expands options and builds improved infrastructure to ensure food security for the estimated additional half million people and families who have been impacted by COVID-19 and are struggling to afford or access food. This will become critically urgent once Civil Defence and Emergency Management (CDEM) closes its regional functions which include restocking and supporting foodbanks.
Ensuring that people have an adequate income is the primary means of ensuring food security, which is being addressed separately via income support options. This initiative responds directly to the extra and supplementary demand on food sourced from the community (e.g. foodbanks, food rescue and other community providers) that is already being experienced by providers and anticipates increased and ongoing demand over the next two years due to the expected economic downturn and increase in unemployment.
It builds from consultation on a preferred approach with key foodbanks such as The Salvation Army and the City Missions. It leverages and supports existing cross-sector (community, private sector) and cross-agency connections including with Ministry for Primary Industries, Ministry for the Environment and the Ministry of Education.
Detailed explanation:
Those on benefits or low incomes, in rental or social housing, as well as Māori, Pacific peoples, disabled people and women parenting alone are the groups most vulnerable to food insecurity.
The initiative provides \$16 million per annum over the next two years for regional responses to ensure foodbanks, food rescue and other community food service providers can meet the additional demand for food from people and families experiencing food insecurity. Beyond the immediate crisis; it will develop community food security plans that maintain food sovereignty and enhance mana, while enabling long term sustainability – recognising the time-limited nature of the Government's investment.
\$3.4 million per annum will be allocated to implement nation-wide support including: a) A newly established bulk food distribution network (the KiwiHarvest-led 'New Zealand Food Network') that will provide a one stop shop for national level food producers, manufacturers and suppliers to donate excess or surplus food to strategically located warehouses around New Zealand. This will then be distributed using mainline freight and last that will provide a one stop shop for national level food producers, manufacturers and suppliers to donate excess or surplus food to strategically located warehouses around New Zealand. This will then be distributed using mainline freight and last mile delivery to meet the orders from food rescue organisations and / or foodbanks. The New Zealand Food Network will also purchase additional food at bulk rates from food producers and manufacturers at the request of the foodbanks.

Key Question	Answer
	b) Two peak / umbrella body organisations to strengthen the practices, capacity and capability of a) food rescue and b) foodbanks and community food services.
	Food rescue umbrella body: Local food rescue organisations play an important role in rescuing local food surplus (from supermarkets, cafes, local food producers), as well as receiving the bulk food from the New Zealand Food Network, and then distributing that to their community. The food rescue sector has grown organically, and capacity and infrastructure is variable around New Zealand, with some low socio-economic and rural areas without services. A national umbrella body is required to grow and strengthen this sector and provide a national coordination role.
	Kore Hiakai foodbank and community food services umbrella body: At present there is considerable practice within foodbanks and similar services that is out-dated, may lead to duplication, and which does not enhance the mana of people. Kore Hiakai is a new organisation that has begun work to improve the practices of community food services so that they are enhance mana and maintain food sovereignty for those using the services, as well as ensuring those in most need receive support. Kore Hiakai will play a leading role in supporting communities to develop high quality long-term community food security plans.
	MSD support to implement the initiative is also required at \$0.6 million per annum.
	This initiative will result in:
	A reduction in the number of households who report going without food.
	 An increase in the number of people and families who utilise community-based food provision reporting that it was a positive experience.
	21 million nutritious meals provided to 500,000 additional people who are experiencing food insecurity at a cost of \$1.05 per meal.
(6	• 6,200 tonnes less food going to landfill, resulting in a reduction in 16,500 tonnes of CO2 emissions.
How does the initiative relate to the COVID-19 Pandemic response	Food insecurity is estimated to double as a result of COVID-19. Recent estimates by Auckland City Mission, Kore Hiakai Zero Hunger Collective and KPMG estimate that food insecurity will at least double as a result of COVID-19 and the resulting economic downturn, to 20% of New Zealand, or a million people. This will include:
and recovery?	 Existing pre-COVID-19 beneficiaries whose after-housing-costs incomes are inadequate for meeting other basic costs – this shortfall (clearly established in the WEAG background paper on Example Families) and supported by aspects of MSD's annual Incomes Report) has been exacerbated since COVID-19 as, for many beneficiaries, their support networks dry up, and the casual (perhaps unreported) employment for a few hours per week may disappear. The rent freeze, winter energy payments and \$25 per week increase in benefits will have helped but the gap remains for many. Additionally, the estimated 100,000 people whose employment hours go to zero and they become new beneficiaries, plus the estimated 66,000 people whose hours drop a bit and the books no longer balance but they do not become recipients of a main benefit. Such households will still have all their pre-COVID commitments (especially rent and mortgage) which can't be changed immediately.
	It is expected that increased income support will be the preferred and main option to support these people and families. This bid is modelled on households choosing to use foodbanks and related services 5% of the time (two weeks in a year) during periods of particular crisis or hardship.
	Demand for food through foodbanks and other community food service providers has increased significantly as a result of COVID-19, and is expected to continue to

increase.

Key Question	Answer
Ney Question	 COVID-19 has already contributed to a significant increase in food insecurity. There have been issues of access to food (e.g. elderly or immune compromised people), and issues of affordability of food. Foodbanks and other community food service providers have been primarily focused on the affordability of food. During this period foodbanks have generally moved to operating through phone-based assessments of families, and then delivery of food parcels to the front door. A survey of foodbanks by Kore Hiakai indicates that they are distributing 212% more food to the week ending 12 April compared to prior to COVID-19. Auckland foodbanks have doubled their demand and expect this to double again. Foodbanks advise that they have many new clients since COVID-19 began. They expect that this increased demand is the tip of the leeberg, and will continue well beyond the lockdown. The number of MSD Special Needs Grants for food more than tripled from the week to March 13 to the week to April 10, to 69,905. The Salvation Ariny have advised that calls to their foodbank have increased ten-fold from 800 per week pre-COVID-19 to 8000. They say that when people are unable to get through to MSD, they try The Salvation Army. The Auckland Emergency Management Office had as at 15 April, arranged the delivery of 30,000 food packs including to and through community organisations during COVID Alert Level 4. Foodbanks and other community food service providers are fearful about how they will continue services at these increased levels once CDEM's temporary support stops. The need to support the additional demand on these providers will then fall on MSD. This level of funding cannot be found within existing baselines. The government has not to date funded the provision of food through foodbanks, food rescue or other community food services providers other than as occasional one-off grants. Our expectation is that providers will continue to deliver at pre-COVID-19 leve
How does this initiative contribute to the Government's plan to respond and recover from COVID-19?	This initiative meets Wave 1-3 of the Economic Response. This initiative will boost current efforts of foodbanks, food rescue and other community food services to meet the increased pressure for food supplies by leveraging surplus donated food from food producers, manufacturers and suppliers that would otherwise go to landfill. It would also be complementary to those seeking employment and/or on the benefit or on hardship grants. This initiative will also provide a strategic way forward once CDEM Groups' welfare roles cease and allow a more coordinated national response that is crucial to the wellbeing and economic recovery of New Zealanders.

Key Question Answer Please provide a Overall Assumptions: breakdown of the At present there are estimated to be half a million people experiencing food insecurity. If costs of this an additional 100,000 New Zealanders are unemployed and another 66,000 people have initiative income shocks which results in food insecurity, with each contributing economically to an average household size of three people, this will double the numbers of people experiencing food insecurity to one million people. The University of Otago Food Costs Survey 2019 estimated the minimum basic cost of food per week for a family of four living in Auckland was \$216 per week. This is likely to have increased since COVID-19 restrictions were implemented. If the additional 125,000 families (or 500,000 individuals) require food parcels 5% of the time (two weeks per year) at a cost of \$216, this equates to a cost of at least \$54 million or 21 million meals costing at least \$2.57 per meal. This bid provides for these 21 million meals at a cost of \$1.05 per meal as detailed below. 2019/20 2020/21 Operating funding Sought (\$m) 2021/22 Community MCA Community Responses to Food Insecurity 2.0m 16.0m 16.0m TBC* New Zealand Food Network: bulk food 2.75m 2.75m distribution New national food rescue umbrella body 0.25m 0.25m Kore Hiakai umbrella for foodbanks and 0.4m0.4mother community food services DOE funding 4 MSD FTE Senior Advisors to implement 0.6m 0.6m the programme @ \$0.15m per FTE Total \$2.0m* \$20.0m \$20.0m *If CDEM support for foodbanks ends before 30 June 2020. 1. Boosting community responses, at \$16m per annum, aligned to local community needs, depending on the level of demand. Most of the funding will respond to immediate increased demand for food through foodbanks, food rescue and other community food service providers These providers will also provide food to cohorts identified by other community agencies as most vulnerable to food insecurity. Up to 5% of funding will be allocated to communities working together to develop a map of food security assets and gaps, and to co-design a food security plan to enable people and families who are vulnerable to food insecurity to access nutritious food in ways that maintain their mana and food sovereignty in a long-term, sustainable manner. Food in Schools programmes (e.g. KickStart) will be considered

as part of this overall picture, but with separate funding. This will support their

Assumptions: 95% of \$16m per annum = a grant of \$38,000 per annum for 400 service providers, calculated as follows: We estimate that there are around 400 foodbanks, food rescue and community food service providers in New Zealand. Some will be very small, and some will be large – such as the City Missions and Salvation Army. We estimate that these are 75% volunteer run, with supervision and volunteer support costs, and costs of restocking the foodbanks being the major

sustainability when the Government's investment ends.

Key Question costs. There will also be some infrastructure costs (e.g. refrigeration, transport) which will grow as demand grows. We estimate the average foodbank to cost \$75,000 per year to run. \$16 million allows for a grant to cover an average of 66% growth in demand for these 400 foodbanks and food rescue through an average sized grant of \$38,000 per annum each, and access to order additional food stocks through the New Zealand Food Network. This average \$38,000 grant is very modest, considering that increased demand on foodbanks averaged 212% in the week to 12th April. Where specific types of donated food is not available from the New Zealand Food Network, and foodbanks are wanting to purchase further food stocks, rather than purchase through retail channels, New Zealand Food Network will bulk purchase these on their behalf, drawing on relationships with food producers and manufacturers. We estimate that approximately 3.25 million additional meals will be purchased this way. 2. New Zealand Food Network: Bulk Food Distribution: \$2.75m per annum Fixed bulk distribution centre costs (e.g. leases, refrigerated containers, depreciation \$1.2m per annum. Variable distribution centre costs (e.g. labour, packaging, handling, equipment \$0.88m per annum Transport costs from distribution centres to food rescue or foodbanks \$0.67m Assumption: That MSD and Kainga Ora are successful in securing \$1m from internal sources for the establishment of the New Zealand Food Network (high confidence that this will occur). Otherwise an additional \$1m in Year One would be needed. The New Zealand Food Network will supply 3,000 tonnes of surplus food in the first year, and 5,000 tonnes in the second year. This is 14.3 million meal equivalents. In addition, 5,000 tonnes of food not going to landfill avoids 13,300 tonnes of CO2 emissions. Additionally, they will bulk purchase approximately 3.25 million meals on behalf of foodbanks. 3. A new national food rescue umbrella body \$250k per annum Costs include: 1 FTE Staffing and related costs \$140k per annum. Food Rescue National Action Plan, and capability development for new and existing Food Rescue organisations \$110k per annum Assumption: The food rescue national body, plus community response support to food rescue services will increase the existing capacity of food rescue by 30%, thus 3.45 million meals (additional to the existing 11.5 million meals). This will prevent 1,200 tonnes of food going to landfill, and 3,200 tonnes of CO2 emissions. 4. Kore Hiakai Umbrella Body for community food services \$400k per annum Costs include: 2.5 FTE staffing and related costs \$280k per annum Capability development for foodbanks and community food services in mana enhancing practices; best practice in assessment of needs and support for codesign of community food security plans \$120k per annum 5. 4 MSD FTE Senior Advisors \$600k per annum 4 x FTE Senior Advisors at \$107,000 per FTE per annum plus associated oncosts and travel allowance.

Key Question	Answer				
	Scaling options:				
	Alternative Option: 75%				
	Operating funding Sought (\$m)	2019/20	2020/21	2021/22	
	Community MCA				
	Community Responses to Food Insecurity	2.0m TBC*	11.0m	11.0m	
	New Zealand Food Network: bulk food distribution		2.75m	2.75m	54
	New national food rescue umbrella body		0.25m	0.25m	n
	Kore Hiakai umbrella for foodbanks and other community food services		0.4m	0.4m	
	DOE funding	12		1	1
	4 MSD FTE Senior Advisors to implement the programme @ \$0.15m per FTE		0.6m	0.6m	
	Total	\$2.0m*	\$15.0m	\$15.0m	1
	average sized grant of \$26,125 per annum each, and access to or stocks through the New Zealand Food Network. This average \$26,125 grant will be inadequate, considering that income and the stocks through the New Zealand Food Network.				
	To manage this, MSD will prioritise funding to high food insecurity, especially those who ha	larger serv	s hubs to o	ther services	s during
	the COVID-19 lockdown. Other foodbanks will the New Zealand Food Network. Where this occurs, the risks include:	I Still be abl	e to access	TOOD STOCKS	tnrougn
	The closure of smaller foodbank servi service may be available due to a lack People and families are unable to acc negative consequences for their heal The number of security incidents at anxious and frightened people who a Negative media from foodbanks who who find the government response sympathy for foodbanks and food see	k of funding cess food a th and well foodbanks are unable to close or ar to be inade	to meet the nd go hung being. continuing access for e unable to equate, at a	e increased d ry, with dowr to increase, od. o meet dema a time where	emand. nstream , due to nd, and
	Minimum Viable Option: 50%				
	Operating funding Sought (\$m)	2019/20	2020/21	2021/22	
1					
	Community MCA				

New Zealand Food Network: bulk food

distribution

2.75m

TBC*

2.75m

Key Question	Answer				
	New national food rescue umbrella body		0.4m	0.4m	
	Kore Hiakai umbrella for foodbanks and		0.4m	0.4m	
	other community food services				
	DOE funding				
	3 MSD FTE Senior Advisors to implement		0.45m	0.45m	
	the programme @ \$0.15m per FTE				/
	Total	\$2.0m*	\$10.0m	\$10.0m	4
How will this	but all other funding remains the same. Up to development of sustainable community food. This \$6 million allows for a grant to cover an foodbanks and food rescue costing an average average sized grant of \$13,000 per annum stocks through the New Zealand Food Network. This average \$13,000 grant will be severe demand on foodbanks averaged 212% in the To manage this, MSD will prioritise funding to high food insecurity, especially those who had the COVID-19 lockdown. Other foodbanks will the New Zealand Food Network. Funding is increased to the new national food rather than 1FTE. This will enable them to should their capability to respond to the increase One fewer MSD FTE will be required at this like. Risks from this minimum viable approach incomplete in the widespread closure of small and where no other service may be avoidemand. Larger services (e.g The Salvation Ard who do receive funding will still find availability. People and families are unable to accompative consequences for their heal. The number of security incidents at food frightened people who are unable. Negative media from foodbanks who who find the government response to public sympathy for foodbanks and forms.	average of average of \$75,0 each, and ork. Ity insufficient week to 12 of arger service acted a support located demands all ability and medium ailable due to access food at the and well codbanks were to access close or all to be severe to access	access to order, considered to access to othe to access for all food rescut divith minimaling. services acres to a lack of the to a lack of the to a lack of the to access for all food rescut divith minimaling. services acres to a lack of the	in demand a to run through the raddition of the raddition of the revices in a the revices to allow for the organisation of funding. The revices in a the revices to allow for the organisation of funding the revice of funding the review of funding the review of the rev	for 4 pugh half for 4 pugh hal
					LUD.
initiative be implemented?	implement this initiative. Initially MSD will sec and running quickly, then backfill the position		to these role	s to get this	up
implemented?	and running quickly, then backlill the position	S.			
	Immediately and into July 2020:				
	Community Response Funding:				
	An allocation model and procuremen would be developed, based on level				

Key Question	Answer
Key Question	MSD Work and Income Regional Commissioners, and Oranga Tamariki's Partnering for Outcome's Regional Managers would work with local food banks, food rescue, other iwi / community food services and other social service providers to determine how best to allocate the funding to support the identified cohorts of people and families experiencing food insecurity in their region. This would involve one or more organisations playing an umbrella role. It would plan to allocate 95% of the funding as two year grants for additional demand on services. It would note that the funding allocation for the second year would be dependent on the completion of a community food security plan. The expectation for each region would be to work with the New Zealand Food Network on their requirements for food stocks. Flexibility would be given to each region as to how long they took to do this process—if urgent funding out the door was the priority, this could be done very quickly (two weeks) or up to eight weeks could be allowed; if it was more important to the region to develop a higher quality plan. Grant funding would then be allocated with requirements to report on: the number of meals that; people and families experiencing food insecurity received; how food was distributed in ways that maintained the food sovereignty and enhanced the mana of the recipients of the food. how the organisation collaborated with other organisations to support people and families vulnerable to food insecurity. National reponses: Contract negotiation and outcomes agreements developed with KiwiHarvest / New Zealand Food Network for the bulk food distribution; and with Kore Hiakai for the umbrella body. Support New Zealand Food Network to work with community food services around enabling provision of food to them. Support to food rescue sector to establish their national food rescue umbrella body (this is largely already done by them), then contract through an outcomes agreement. September 2020: A small grant fund (up to 5% of the Community Resp
	Support Kore Hiakai, National Food Rescue body and New Zealand Food Network in their work supporting the sector.
	Key Implementation Risks:
	At present MSD does not when CDEM funding to foodbanks will cease. We have
	provisionally allocated an additional \$2 million into 2019/20 for this bid if CDEM support ends before the end of this financial year.

Key Question	Answer
Why is funding urgently required for this initiative?	Funding is required to respond to current and exponentially growing food insecurity that is arising through the income shocks on many New Zealanders as a result of COVID-19. Foodbanks and other community food services are currently being supported to do this through CDEM, and risk running out of money as soon as CDEM withdraws, if this bid is not successful.
Are there any other options to fund this initiative?	Ensuring that households have an adequate income is the primary means of ensuring food security, e.g. through MSD hardship grants for food, or increasing welfare assistance etc. This bid addresses problems of extra demand on supplementary food sources such as foodbanks, food rescue and other community food services. MSD has sourced \$500,000 internally and Kāinga Ora has sourced another \$500,000 to support the immediate establishment of the New Zealand Network for the bulk food distribution. This bid does not include this funding.
Does the initiative result in new FTEs or contractors?	4 new FTE senior advisors working from Wellington for a two-year period.
Does this initiative overlap with the work of any other departments? If so, how have you worked with those departments to avoid duplication?	 We have had several meetings with different government agencies. This work will be complementary to theirs: Ministry of Education want to see their lunch in schools programme (and wider food in schools) to be complementary to and included within work to build community food security plans. They note that food insecurity is an issue beyond just children now, and rather for whole families. This will also apply to other MSD food in schools programmes such as KickStart and KidsCan. We have been coordinating with the Ministry for Primary Industries to provide options for primary producers to be able to donate excess food to people and families experiencing food insecurity. Ministry for the Environment manage the contestable Waste Minimisation Fund which is being revised to be responsive to COVID-19. Food rescue is likely to be a priority investment area. MfE are aware of this bid and will work with us on any food rescue applications this year.