

19 September 2024

Tēnā koe

Official Information Act request

Thank you for your email of 24 July 2024, requesting information relating to food.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below. For the sake of clarity, I will respond to your request in parts.

1. Information and advice given by the Ministry of Social Development to any Ministers, or Cabinet, which refer to the use of foodbanks or other free food distribution services, for beneficiaries.

Please find the following reports attached:

- a. REP/24/4/360 Report Further options for the Food Secure Communities Programme, dated 24 April 2024.
- b. REP/24/6/591 Report *Distribution of Food Secure Communities investments in F2024-25*, dated 27 June 2024.
- c. Report *Distribution of Food Secure Communities provider funding in F2024-25*, dated 24 July 2024.
- d. REP/24/5/488 Report Analysis of current demand for Auckland City Mission and the community food sector, dated 21 June 2024.
- e. REP/24/5/401 Report Analysis of current demand for community food support, dated 10 May 2024.

Please note that paragraph 3 in the background section of REP/24/5/401, and recommended action 2 in REP/24/5/488 have been superseded by a subsequent decision by the Minister to the following:

- \$7.5m funding across the following two areas in F2024/25:
- \$6m to invest in supporting up to 50 community food providers
- \$1.5m to invest in up to 10 food security initiatives.

Please note that one of the reports in scope of this request, REP/24/1/007, is publicly available on the Ministry's website, starting on page 142: https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2024/may/14052024-request-for-12-named-reports-sent-to-the-minister-in-january-2024.pdf.

Some information is withheld under section 9(2)(ba)(i) of the Act as it is subject to an obligation of confidence, and if released, could prejudice the supply of similar information in the future. The greater public interest is in ensuring that such information can continue to be supplied.

Some information is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

In REP/24/5/488, please note that following the Minister's decision to increase the proportion of funding being allocated to the community food provider sector, a number of the figures in this report became obsolete and the procurement process resulted in different outcomes to the figures proposed in this report.

2. The number and dollar value of Special Needs Grants (applications and approvals) received by Work and Income over the past ten years, broken down by month if possible, or by year.

This information is publicly available on Ministry's website here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/.

3. Any estimations made by the Ministry of Social Development of the scale of free food being distributed in New Zealand, and its total value.

The 195 community food providers we funded in F2023-24 reported 600,976 food parcels provided to communities in need. We estimate the cost of food per parcel to be approximately \$100 and so the value of this service is approximately \$60,097,600. Note this does not take into account the value of overheads.

4. The calculations, assumptions and data used by the Ministry of Social Development or Work and Income in the course of calculating the level of benefits paid, to establish the cost of food to beneficiaries.

Rates of main benefits, and other income support payments are the result of decisions made by successive Governments. The last discretionary increase to rates of main benefits was in 2021. The intention of these increases was to bring main benefit rates in line with a key recommendation made by the Welfare Expert Advisory Group in 2019.

Main benefits are adjusted on 1 April each year according to the increase in the Consumers Price Index for the preceding year ending December. The Consumers Price Index includes the price of food items, alongside other prices. The percentage adjustment to benefits is based on the movement between the quarterly December index values, and is then rounded to two decimal places to ensure that the correct cents are applied to the payment.

The maximum amounts payable for Special Needs Grants for food are not annually adjusted and were last increased in 1994. You can read more about the background of Special Needs Grants for food on the Ministry's website here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj05/05-foodbank.html.

5. The number of referrals of Work and Income clients to foodbanks, made with or without a letter of referral.

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

6. The number of foodbanks or free food distribution services with contracts with MSD. Please rank it by the value of the contract; and please rank it by total volume of food distributed

This information is publicly available on Ministry's website here: www.msd.govt.nz/what-we-can-do/community/food-secure-communities/community-food-response-funding.html.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

Magnus O'Neill

General Manager

8Marig

Ministerial and Executive Services

Report



Date: 24 April 2024 Security Level: IN CONFIDENCE

To: Hon Louise Upston, Minister for Social Development and

Employment

File reference: REP/24/4/360

Further options for the Food Secure Communities programme

Purpose of the report

This paper provides you with further options for the use of \$7.5m of funding from the Food Secure Communities (FSC) programme which had previously been identified as part of the cost saving exercise. It also sets out some considerations for any future government investment in this area beyond June 2025.

Recommended actions

It is recommended that you:

- **note** that earlier this month you indicated that \$7.5m of FSC funding (this included a transfer of \$4m from F23/24 to F24/25) would no longer be returned through Budget 2024
- 2 note that the cost of living remains high and continues to drive demand for community food support such as food parcels
- **agree** to use the \$7.5m of ringfenced FSC funding to support the ongoing high demand for community food support in F24/25 by either:
 - 3.1 supporting up to 190 community food providers with the increased demand for their food support services

AGREE / DISAGREE

IN-CONFIDENCE

3.2 further strengthening the community food distribution infrastructure including food hubs
AGREE / DISAGREE
OR
3.3 establishing or scaling up approximately 20 food security initiatives that will create longer-term access to low-cost and healthy food
AGREE / DISAGREE
OR
 3.4 splitting the \$7.5m investment across three areas: 3.4.1 \$3.5m to invest in supporting up to 100 community food providers 3.4.2 \$1.5m to further strengthen the community food distribution network with a focus on community food hubs 3.4.3 \$2.5m to invest in approximately 10 food security initiatives
AGREE / DISAGREE
agree to discuss with officials whether you would like to receive further advice on future investments in the community food sector beyond 2025.
AGREE / DISAGREE
24 April 2024
Serena Curtis (Acting) Deputy Chief Executive, Māori Communities and Partnerships Date
Hon Louise Upston Minister for Social Development and Employment Date

Background

- 2 During the COVID-19 pandemic the government supported community food providers to meet the increased demand for food, as well as supporting those self-isolating.
- Budget 2023 provided two-year time limited funding to help transition the community food sector (such as food banks) away from reliance on government funding, towards a longer-term focus on food security and resilience. This included some direct support for community food providers, investment to maintain the community food distribution infrastructure and funding to invest in food security initiatives.
- \$7.5m of FSC funding was held as potential cost savings. In February 2024, following advice on scaling back or exiting early from Community Connector and FSC programmes [REP/24/1/00], you directed the Ministry of Social Development (MSD) to discontinue investment in food security initiatives (saving \$7.5 million total across FY23/24 and FY24/25).
- On 11 April 2024 you decided to no longer return \$7.5m of food secure communities funding as part of Budget 2024 [REP/24/4/327].
- Following this decision, you have requested options on how best to spend the \$7.5m given the ongoing demand for community food support.

Cost of living pressures have resulted in continued high demand for community food support

- As you are aware, the high cost of living remains an issue especially for low and middle income New Zealanders. While the rate of food inflation has slowed in recent months, these smaller increases come off the back of significant food price inflation.¹ This has put additional pressure on household incomes and has particularly impacted lower-income workers whose wages have not kept pace with inflation.
- While there were CPI-based increases to Working for Families and the minimum wage in April 2024, many low-middle income workers will have experienced costs rising faster than pay.
- 9 Food insecurity has recently increased as reflected in the Ministry of Health's 2022/23 New Zealand Health Survey data which showed that one in five children (21.3 percent) lived in households where food ran out often or sometimes in the 12 months prior compared to 14.4 percent in 2021/22 and 14.9 percent in 2020/21.

¹ In the year to June 2022, food prices rose 7 percent, and in the year to June 2023, food prices rose 13 percent.

10 Community food providers, such as foodbanks and pātaka, continue to report high demand for their services. Our largest community food provider, The Salvation Army, reported in the first six months of 2023 that the number of food parcels they distributed increased 20 percent on the six months prior. This demand has continued to increase with their December report indicating that their distribution had increased another nine percent.

There are options on how to support the increased demand for food in the short to medium term

- 11 We have set out four options below that propose different ways to spend the \$7.5m of unallocated FSC funding in F24/25 to support access to community food provision.
- 12 Each option supports at least one of the following criteria: the extent to which it delivers immediate food support to the communities that need it; reducing the cost of purchasing value for money and building up sustainable medium—long term support.
- 13 MSD has a good understanding of demand for community food support through the information gathered by national partners and regional colleagues, our own internal SORT reporting tool, as well as the use of deprivation-based allocation models. This understanding will help ensure that any future spending is targeted towards communities which need it the most.

Option one: Support up to 190 community food providers with the increased demand for their food support services in F24-25

- 14 This option will repurpose the \$7.5m to provide another 12 months (F24-25) funding for up to 190 critical community food providers such as foodbanks and pātaka kai, to help contribute towards ensuring they are able to meet the current high demand for their services.
- 15 The benefit of this option is that it gives direct support to community food providers that are experiencing high demand for their services now.
- Many providers that we hold relationships with have told us that when government funding ends in June this year, they will need to significantly scale-back the amount of community food support they provide their community.
- 17 The \$7.5m investment in community food providers in F24/25 would represent a slight step-down from the \$8.3m invested this financial year. While this approach acknowledges the increased demand the sector is experiencing due to the current economic conditions, there is a risk that providers would expect a similar level of government funding ongoing. We will mitigate this by continuing to signal to the sector in all of our communications that this funding is transitional and time limited.
- 18 We will ensure that this funding is targeted towards trusted providers who deliver a high quality and nutritious community food service. We note that government funding in this area is contributory, and the sector relies on a range of other revenue sources such as donations and grants to meet the

demand for food. We will undertake due diligence to ensure that there is no duplication of government funding.

Option two: Invest the funding in further strengthening the community food distribution infrastructure, including food hubs

- 19 \$7.5m is already allocated to support the community food distribution infrastructure in F24/25 and so an additional \$7.5m (\$15m total) would represent a significant increase over a 12 month period. This further funding could significantly increase the amount of essential food supplies this network could distribute through the hundreds of community partners they reach.
- The community food distribution infrastructure includes the New Zealand Food Network (NZFN) which sources bulk essential food supplies and distributes this to food hubs and providers, who provide them to communities in need. Further analysis would be required to determine how this funding will be best spread across the network (for example, the proportion of funding that should be spread between NZFN and food hubs). Officials will also consider whether other conditions should be included with the provision of funding to ensure it reaches the communities most in need.
- 21 Community providers are telling us that they are currently struggling to source food supplies due to funding constraints and lack of food donations. A benefit of this option is NZFN can source food supplies at a discounted rate and would be able to procure more food than individual community food providers or food hubs. Food hubs provide supplies to hundreds of foodbanks, pātaka, social service agencies and wide range of providers in their communities.
- A disadvantage of this option is that some community food providers may not have the capacity to store, process and distribute bulk food as they will have reduced funding for overheads such as warehouse leases and staff costs. It also reduces the ability of community food providers to deliver food support that meets the unique needs of the population groups they serve.

Option three: Invest this funding in food security initiatives that will create longer-term access to low-cost and healthy food

This option would invest in locally led enterprises that aim to increase the amount of healthy and low-cost (rather than free) food options in low-income communities and therefore decrease reliance on food parcels. An investment of \$7.5m would enable a mix of up to 20² new or existing food security initiatives to be established or scaled-up to a sustainable level.

² This number is based on cost models undertaken to ensure the enterprises have sufficient scale to progress towards financial sustainability.

- 24 Previous FSC funding round invested in pilot projects illustrated the viability of social enterprise models to increase access to affordable and healthy food. Examples of initiatives from previous funding rounds include:
 - 24.1 Low-cost healthy food stores that are run for and by communities using a social enterprise model. These have been piloted by the likes of Auckland City Mission and have shown success in providing options to their clients that are more sustainable than food parcels.
 - 24.2 Community Supported Agriculture (CSA) which uses a subscription service to help fund locally grown and affordable produce for low-income communities.
- These initiatives aim to build financial self-sufficiency and create medium to long-term pathways to reduce dependency on state programmes. The sector has shown strong interest transitioning to support that is not just addressing immediate need but designed to be a longer-term solution. Investment in food security initiatives aligns with the social investment approach that has been signalled by the Government.
- This approach will not help in meeting the immediate demand for food as it will take time for initiatives to produce enough food to impact the food security of communities. However, investing in initiatives now may help build food resilience over the medium-long term.

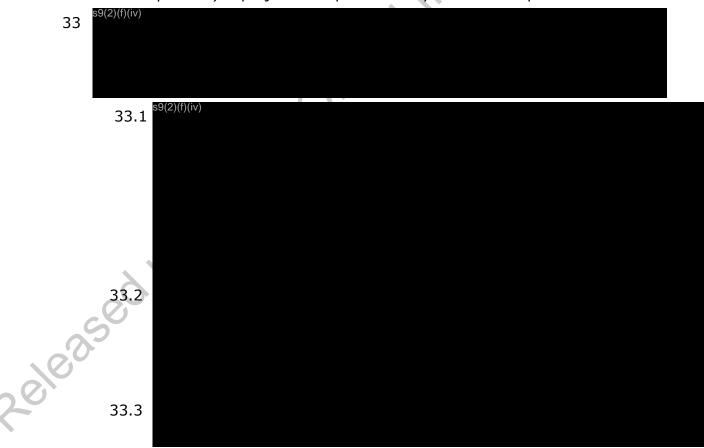
Option four: Split investment across these funding areas

- 27 One option could be to split the funding in F24/25 as follows:
 - 27.1 \$3.5m to invest in supporting the high demand of services for up to 100 community food providers
 - 27.2 1.5m to further strengthen the community food distribution network with a focus on community food hubs
 - 27.3 \$2.5m to invest in and/or expand 10 food security initiatives which will increase the amount of healthy and affordable food in their communities
- 28 This has the advantage of supporting a broad range of outcomes and partners within the community food sector.
- 29 This funding would provide an additional 12 months contributary funding to support up to 100 community food providers such as foodbanks and pātaka kai in the most disadvantaged communities. It would also provide additional funding to enhance the community food distribution network with a focus on large food hubs which are also often food rescue organisations. These food hubs often have a wide reach, supporting hundreds of additional food providers across the country with access to community food supplies.
- 30 A disadvantage of this option is that it may dilute the impact of the funding which would be better achieved by focussing the funding in one part of the

community food sector. A key learning from previous investment in the FSC programme is that scale is important to creating impact.

The high demand for community food support may continue beyond June 2025

- 31 Current funding for the FSC programme is time-limited and ends in June 2025. Further government investment in the community food sector could be considered if demand for community food support remains high beyond June 2025.
- 32 There are potential upcoming changes to the current environment that could factor into this continued demand, for example:
 - 32.1 Changes in the wider policy context such as a potential decrease in provision of the Ka Ora Ka Ako (Lunch in Schools) programme which is currently under review. Potential changes may mean that low-income households will have fewer sources of assistance available to support them in meeting the nutritional needs of their families.
 - 32.2 The impact of other economic factors, such as while the economy is expected to grow in 2025, the unemployment rate (currently at 4 percent) is projected to peak in early 2025 to 5.2 percent.³





We can discuss with you whether you would like officials to consider MSD's role in the community food sector beyond June 2025.

Next steps

35 Officials will implement the procurement processes required to invest the \$7.5 million funding as you direct. Officials will work with your office to confirm communications and timeframes.

Author: Neill Ballantyne, Principal Advisor, Pacific and Community Capability Programmes

Responsible manager: Serena Curtis, General Manager, Pacific and Community Capability Programme



Report

Date:

27 June 2024

Security Level: IN CONFIDENCE

To:

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Hon Louise Upston, Minister for Social Development and

Employment

File reference:

REP/24/6/591

Distribution of Food Secure Communities investments in F2024-25

Purpose of the report

1. This paper provides you with a revised approach to allocating \$15m funding in the Food Secure Communities (FSC) programme.

Recommended actions

It is recommended that you:

note further to our previous reports on the FSC investments [REP/24/4/360 refers] we have reviewed the allocation model for F2024/25 to invest more in community food providers during the next 12 months due to ongoing high demand driven by the high cost of living and other economic factors.

agree to discuss the revised approach with officials. 2 / DISAGREE euitho 27 June 2024 Kicialin Serena Curtis Date General Manager, Pacific and Community Capability Programme

Hon Louise Upston

Minister for Social Development and

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Background

- Further to our previous report on the Food Secure Communities (FSC) investments [REP/24/4/360], we have reviewed the allocation model for F2024-25 to invest more in community food providers during the next 12 months due to ongoing high demand driven by the high cost of living and other economic factors.
- Based on the current economic environment we recommend that a greater proportion of funding is allocated to community food providers to ensure they can meet this increased demand for food parcels.
- 4. We recommend splitting the \$15m funding from Budget 2023 across the following areas in F2024-25:
 - 4.1 \$7.5m to food infrastructure
 - 4.2 \$6m to community food providers
 - 4.3 \$1.5m to food security initiatives.

Community food distribution infrastructure (\$7.5m in F2024-25)

5. Budget 2023 provided \$15m infrastructure funding to maintain the work of the community food distribution network over two years. This means that funding has been committed for national providers including the New Zealand Food Network, and for community food hubs through to 30 June 2025. We propose there are no changes to this funding.

Community food provider funding (\$6m in F2024-25)

- 6. This funding was due to come to an end on 30 June 2024, however due to the sustained cost of living issues we propose that we allocate \$6m to support community food provision.
- 7. This funding will be allocated proportionally to ensure that the providers with the most demand, and most capacity to deliver, receive the greatest share of the funding. An analysis and scaling provision across current providers can be found in appendix one.

Food Security Initiative funding (\$1.5m in F2024-25)

- Continuing to invest in food security initiatives will signal a longer-term approach of shifting from food parcels to food resilience. These initiatives generally utilise a social enterprise model to provide healthy and affordable (rather than free) food to their communities.
- 9. We propose allocating \$1.5m to support up to 10 food security initiatives.

Next steps

10.Officials will undertake the necessary procurement processes to distribute funding.

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Report

Date:

24 July 2024

Security Level: IN CONFIDENCE

To:

Viv Rickard, Deputy Chief Executive Service Delivery

CC:

Marama Edwards, DCE Māori, Communities and Partnerships

From:

Serena Curtis, GM, Pacific & Community Capability Programmes

Distribution of Food Secure Communities funding in F2024-25

Purpose of the report

This paper provides an update on the procurement process for allocating Food Secure Communities (FSC) food provider funding in F2024-25.

Recommended actions

It is recommended that you:

- 1 **note** in June the Minister agreed [REP/24/6/591] to reallocate \$7.5m funding from Budget 2023 in F2024-25. \$6m of this funding was allocated to support 50 community food providers.
- 2 note that we have then engaged with our regional teams to verify SORT reporting numbers, do further due diligence on proposed providers and gain local insights on food provision as a part of the procurement process.
- 3 note that this regional engagement and due diligence has resulted in some changes to the indicative list of food providers that was provided to the Minister in June [REP/24/6/591].
- note that \$4m of this funding is yet to be transferred via OBU.
- agree for MSD to notify providers listed in Appendix One of the outcome of the procurement process and make arrangements for grants to be made.

AGREE / DISAGREE

6 agree for a copy of the paper to be sent to the Ministers office for noting.

AGREE DISAGREE

Viv Rickard, Deputy Chief Executive Service

Date

Background

- In June the Minister agreed [REP/24/6/591] to reallocate \$7.5m¹ funding from Budget 2023 across the following two areas in F2024-25:
 - 1.1 \$6m to invest in supporting up to 50 community food providers
 - 1.2 \$1.5m to invest in up to 10 food security initiatives.
- This memo provided an indicative list of 50 providers, based on a desktop scan of SORT food parcel reporting, with funding allocated proportionally. It was noted that this indicative list was subject to regional engagement and procurement processes which could not be completed in the short timeframe required for the advice.
- Following this, the MSD procurement board agreed [Submission 24.185.01] that funding could be allocated using a closed procurement process which included regional consultation to verify SORT reporting numbers, undertake due diligence on proposed providers, and gain local insights, which included identifying alternative reporting to verify food provision against.

The following procurement process was undertaken to allocate funding

Step one - a draft list of 100 community food providers were identified

- 4 MSD prepared a draft list of 100 community food providers based on a desktop scan which included, ensuring providers were up to date on reporting, ensuring a good regional spread, and checking that providers met the following eligibility criteria:
 - 4.1 Has good processes in place to assess needs of clients
 - 4.2 Has good referral mechanisms to ensure their clients are referred to complementary support services where appropriate
 - 4.3 Are culturally responsive
 - 4.4 Provides a service which is nutritionally appropriate and is informed by the Aotearoa Food Parcel Measure (AFPM)
 - 4.5 Has the widest geographic reach
 - 4.6 Has best-practice safe food handling procedures in place
 - 4.7 Ensures food is getting to communities which need it most.
- A draft list was provided to the Minister with indicative models for how funding could be split proportionally across the 100, 75, and 50 providers with the highest food parcel outputs [REP/24/6/591].

¹ Please note that \$4m of this funding is yet to be transferred via OBU.

On 1 July 2024, the Minister decided to proceed with splitting the funding proportionally across the 50 providers with the highest food parcel outputs. This list was prepared for consultation.

Step two - testing with regional colleagues

- 7 The list of 50 providers was tested with regional colleagues to generate their insights about community needs and which providers are meeting the highest demands.
- 8 This consultation led to some minor changes including some additional providers as set out in the final list of recipients attached at Appendix One.
- 9 The final list strikes a balance between the proportional funding model which focuses funding on the community food providers with the highest output, and ensuring regional needs are met.

Communications

- 10 The sector was informed of this funding via a website update and newsletter which was sent out on Tuesday 16 July 2024. The text of the announcement is attached at Appendix Two.
- 11 We have also prepared reactive comms with Q+A responses (attached at Appendix Three) to ensure consistent messaging about this funding.
- 12 We will offer to meet with any providers to discuss the process and how the funding was allocated should providers enquire.

Next steps

- 13 Regional Commissioners and their teams (with support from FSC), will contact the successful providers to inform them of the funding allocation and initiate the grant payment process. Indicative payment dates:
 - 13.1 Payment one week beginning 29 July 2024
 - 13.2 Payment two week beginning 3 March 2025.
- 14 Monitoring of the grants will be undertaken by the regional teams.

Author: Neill Ballantyne - Principal Advisor, Pacific and Community Capability Programmes

Responsible manager: Serena Curtis - General Manager, Pacific and Community Capability Programmes

Appendix one- Final recipient list

Provider	Region	Funding amount
Salvation Army - all branches	National	\$777,766
2. Auckland City Mission	Auckland Central	\$700,000
 Living Waters Church Waiheke Island aka Waiheke Livingwaters Assembly of God 	Auckland Central	\$20,000
4. Vision West	Auckland North/West	\$250,000
5. South Kaipara Good Food (added)	Auckland North/West	\$88,940
6. Auckland Dream Centre	Auckland North/West	\$50,000
7. Salt Community Trust	Auckland North/West	\$30,000
8. The Good Works Charitable Trust	Auckland North/West	\$20,000
9. Mahu Vision Community Trust	Auckland North/West	\$20,000
10. South Auckland Christian Food Bank	Auckland South	\$200,000
11. Just Move Charitable Health Trust (BBM)	Auckland South	\$175,000
12. Community Builders NZ	Auckland South	\$60,000
13. Rapid Relief Team	Auckland South	\$50,000
14. Mangere Budgeting & Family Support Services	Auckland South	\$88,486
 Waka of Care / Community Groups Feeding the Homeless Inc 	Auckland South	\$80,000
16. Supreme Sikh Society of New Zealand (added)	Auckland South	\$80,000
17. Ngāti Tamaoho (added)	Auckland South	\$88,000
18. Rawiri Residents Association	Auckland South	\$20,320
19. Affirming Works	Auckland South	\$125,000
20. Ngati Whatua Orakei - Taumata Kōrero	Auckland Wide	\$224,542
21. St Vincent de Paul	Auckland Wide	\$180,937
22. The Fono Trust	Auckland Wide	\$119,158
23. Grace Foundation (including Hangimaster)	Auckland Wide	\$37,406
24. Tauranga Community Foodbank	Bay of Plenty	\$139,122
25. Feeding Rotorua	Bay of Plenty	\$78,445
26. Tokoroa Community Foodbank	Bay of Plenty	\$39,781

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Provider	Region	Funding amount
27. Turangi Foodbank Incorporated	Bay of Plenty	\$34,300
28. Christchurch City Mission	Canterbury	\$340,000
29. Ellesmere Foodbank Trust	Canterbury	\$20,000
30. Delta Community Support Trust	Canterbury	\$58,579
31. Positive Directions Trust	Canterbury	\$21,421
32. Best Care (Whakapai Hauora) Charitable Trust	Central	\$100,000
33. Masterton Foodbank	Central	\$81,915
34. Palmerston North Methodist Social Services	Central	\$63,179
35. Lifegate Network Trust Board / Hope Hub	Central	\$94,200
36. The Social Crust Limited (Martinborough Food Bank)	Central	\$24,984
37. Te Puna Oranga o Otaki Charitable Trust (added)	Central	\$21,559
38. Manchester House Social Services (added)	Central	\$28,915
39. Nourished for Nil (added)	East Coast	\$45,000
40. Supergrans Tairāwhiti	East Coast	\$49,901
41. CHB Foodbank	East Coast	\$15,000
42. Nelson Community Foodbank	Nelson	\$56,304
43. Marlborough Community Foodbank	Nelson	\$37,712
44. Fresh Start 20/20 Inc	Northland	\$35,223
45. One Double Five Whare Awhina Community House Trust	Northland	\$56,433
46. Far North Community Food Bank (added)	Northland	\$35,223
47. Kairos Foodbank (added)	Northland	\$15,000
48. Presbyterian Support Otago Incorporated	Southern	\$76,268
49. Presbyterian Support Family Works South Canterbury	Southern	\$22,000
50. City Mission Whanganui (Christian Social Services Whanganui (CSSW))	Taranaki	\$55,708
51. Waitara Foodbank Kai Pataka	Taranaki	\$42,125
52. Hamilton Combined Christian Foodbank	Waikato	\$115,549

	Region	Funding amount
53. Huntly Community Advice and Social Services Trust	Waikato	\$69,835
54. St Vincent de Paul - Hamilton	Waikato	\$60,218
55. Te Whanau Putahi	Waikato	\$41,419
56. Rauawaawa Kaumatua Charitable Trust	Waikato	\$37,512
57. Wellington City Mission	Wellington	\$170,000
58. Ekta	Wellington	\$41,615
59. Te Rūnanga o Toa Rangatira (added)	Wellington	\$145,000
60. Te Runanganui O Te Ati Awa ki te Upoko o Te Ika a Maui (added)	Wellington	\$145,000
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Appendix Two - FSC website and newsletter update for F2024/25 funding

MSD's Food Secure Communities programme was established in 2020. MSD invested in the community sector to respond to the increased demand for food driven by the COVID-19 pandemic.

Budget 2023 provided time-limited funding for the Food Secure Communities programme In the 2023/2024 financial year this enabled:

- Maintenance of the community food distribution infrastructure to collect and deliver high volumes of surplus and wholesale food (\$7.5m per year for two years for national support partners and regional community food hubs)
- Transitionary funding to support community food providers to meet current increased demand and transition out of reliance on government funding (\$8.3m for F2023-24).
- Funding community food provision in regions affected by the North Island Weather Events (NIWE) (\$6 million over two years to June 2024).

For this financial year (F2024/25), the existing funding in place to support the maintenance of the community food distribution infrastructure continues to 30 June 2025 (\$7.5m for national support partners and regional community food hubs).

In consideration of the increased demand for ongoing food support in the community, the Government has agreed that \$7.5 million of time-limited funding will also be available in F2024/25 to support the community food sector. This funding will be allocated to:

- Support up to 50 community food providers to meet high demand (\$6m).
- Invest in or expand up to ten food security initiatives which aim to increase the amount of healthy and affordable food in communities (\$1.5m).

We are currently finalising the process to identify providers to receive this funding. Due to the targeted nature of this funding, the Food Secure Communities team will be in touch with your organisation if you are eligible for funding.

All New Zealanders can continue to apply for Emergency Special Needs Grants for food. If families or individuals you are engaging with are finding it hard to meet certain living costs, or get an unexpected bill, they can either visit the MSD website www.workandincome.govt.nz or call 0800 559 009 to talk with us about their situation.

If you have any questions about this decision, please don't hesitate to reach out to our team at MSD Food Secure Communities@msd.govt.nz

Appendix Three - Reactive FSC comms for F2024/25 funding (following funding decision)

How does my organisation apply or access this funding?

Due to the targeted nature of this funding we have undertaken a closed procurement process and have contacted the providers eligible for this funding directly. This funding was only be made available to 60 existing MSD-contracted community food providers with high demand to support them as they transition away from Government funding for emergency food relief.

The New Zealand Food Network collects quality surplus and donated bulk food from producers, growers and wholesalers around the country, and distributes it to food rescue organisations, iwi and charities across New Zealand, so that they may feed the communities they serve. Their partnering food hubs distribute this to community organisations in their area. You may wish to reach out to your local food hub or local food rescue charities in your region at this time to see how they may be able to help you.

All New Zealanders can continue to apply for Emergency Special Needs Grants for food. If families or individuals you are engaging with are finding it hard to meet certain living costs, or get an unexpected bill, they can either visit the MSD website www.workandincome.govt.nz or call 0800 559 009 to talk with us about their situation.

Why are you only funding 60 community food providers?

The community food sector plays an important role supporting people experiencing food insecurity. MSD's primary way of supporting food security is through income support including the Special Needs Grant for Food. MSD did not directly fund the community food sector before the COVID-19 pandemic but stepped in to provide support when we became aware of the increased demand created by the impacts of COVID-19.

The Government has continued to signal that it is pivoting from funding the provision of community food parcels and will focus on maintaining community food distribution infrastructure and moving towards longer-term approaches to food resilience.

Existing MSD funding for community food providers ended on 30 June 2024. However, the Government has continued to monitor the situation and has agreed that there is ongoing increased demand and has made funding available for 60 providers. This funding is being focused on the providers who experience the most demand and have the capacity to provide the most support to people experiencing food insecurity.

Why is my funding more/less than previous years?

The community food sector plays an important role supporting people experiencing food insecurity. MSD's primary way of supporting food security is through income support including the Special Needs Grant for Food. MSD did not directly fund the community food sector before the COVID-19 pandemic but stepped in to provide support when we became aware of the increased demand created by the impacts of COVID-19.

The Government has continued to signal that it is pivoting from funding the provision of community food parcels and will focus on maintaining community food distribution infrastructure and moving towards longer-term approaches to food resilience.

This has led to the decision to continue reducing the number of community food providers ap swith a sing which and which a seed with a seed which are official inder the official we support in the 2024-25 financial year. We have also taken a proportional approach to the distribution of the funding to ensure that the providers with the greatest output, and therefore who reach the most people, are granted funding which reflects their parcel



Report

Date:

21 June 2024

Security Level: IN CONFIDENCE

To:

Hon Louise Upston, Minister for Social Development and

Employment

File reference:

REP/24/5/488

Analysis of current demand for Auckland City Mission and the community food sector

Purpose of the report

1. This paper provides you with analysis on the Auckland City Mission's (ACM) food service including trends and distribution processes.

Recommended actions

It is recommended that you:

- note that officials recently provided you advice on the level of demand for community food support [REP/24/5/401]. This indicated that demand for food parcels more than doubled during the COVID period and has not returned to baseline.
- 2 note your decision in May to reallocate \$7.5m funding from Budget 2023 across three areas in F2024-25:
 - 2.1 \$3.5m to invest in supporting up to 100 community food providers
 - 2.2 \$1.5m to further strengthen the community food distribution network with a focus on community food hubs
 - 2.3 \$2.5m to invest in approximately 10 food security initiatives
- anote you requested further advice on the demand for community food support experienced by ACM. An MSD official from the Pacific and Community Capability Programme team visited ACM to better understand the trends of their food demand, costs associated with their food services, and their food assessment and distribution processes.
- 4 note that our analysis shows that ACM has good assessment and distribution processes in place and is already working to reduce costs and improve efficiencies.

IN-CONFIDENCE

- **note** that we have identified some areas for work to further increase efficiencies but that this would take time, therefore effects would not be immediate.
- 6 note that ACM decreasing food parcels comes at a time when other major food providers are also decreasing or capping the amount of food parcels they distribute, which may have further impact on other food providers and at-risk families.
- 7 note that providing any additional funding to ACM would decrease the amount we have available for the rest of the country, which may disadvantage other providers and therefore at-risk families in other parts of Auckland and other regions outside Auckland.
- 8 agree to discuss this analysis with your officials and indicate your preference for any opportunities identified.

AGREE DISAGREE

Mounto

Serena Curtis General Manager, Pacific and Community Capability Programme 21 June 2024

Date

Hon Louise Upston

Minister for Social Development and

Employment

01805

Date

Background

- On 11 April 2024 you had an online meeting with Helen Robinson, CEO of Auckland City Mission. At this meeting, she expressed concern at the levels of increased food demand ACM are experiencing and indicated that she would need to decrease the number of food parcels they provide without further government funding.
- 3. Following the meeting, Helen Robinson sent a letter stating that without government funding in FY2024-25 they would need to reduce food parcel distribution from 50,000 to 20,000 per annum. She noted that \$1.5m funding would be required to continue supplying 50,000 parcels.
- 4. An MSD official from the Pacific and Community Capability Programme team has since spent three days on site with ACM to better understand the trends of their food demand, costs associated with their food services, and their food assessment and distribution processes.

Community food demand remains high across the sector

- We recently provided you advice on the level of demand for community food support [REP/24/5/401]. This indicated that demand for food parcels across the country more than doubled during the COVID period and has not returned to baseline.
- 6. This is reinforced by Kore Hiakai's (an advocacy group with a focus on food security) which sent you community food distributor insights in early May.

Drivers of food insecurity

- 7. Food insecurity generally occurs due to a combination of inadequate incomes and high expenses. This has been exacerbated recently due to the increasing cost of living, especially food costs.
- 8. This means that the most effective solutions are system changes which either increase incomes or decrease the cost of living for people and families most at risk. Historically, MSD's primary means of addressing food insecurity has been through income support including targeted support such as Special Needs Grants (SNGs) for food. Since June 2020 MSD stepped in to support community food providers to meet the increased demand for food as part of the COVID-19 response.

Cross government approaches to addressing food insecurity

9. The Public Health Advisory Committee (PHAC) has recently released its report – Rebalancing our food system. The report recommends that the government takes a more collaborative approach to the food system to support the health and wellbeing of all New Zealanders.

- 10.Currently, the government funds investment in food support for people at risk of food insecurity through a range of programmes including Kickstart Breakfast, Ka Ora Ka Ako, the Fruit in Schools programme, and Food Secure Communities (FSC). These programmes sit within three different Ministries with MSD funding Kickstart Breakfast and the FSC programmes.
- 11.In our recent paper on options for the FSC programme [REP/24/4/360 refers], you indicated that you wished to discuss with your officials further advice on future investments in the community food sector beyond 2025. There is also an opportunity to provide you with further advice on how we could create greater efficiencies in the food system through a cross-agency approach to food insecurity.

Demand for ACM's food services remains high following the pandemic

12.ACM wanted to reiterate that their circumstances aren't unique and reflect the wider food security context. ACM have also been clear that providing food parcels is not a long-term solution to food insecurity and they would rather focus on top of the cliff solutions.

ACM food parcel distribution by Financial Year (01 July- 30 June)



- 13. This graph shows that ACM's food parcel distribution doubled between 2017-18 and 2019-20, then doubled again to more than 60,000 parcels at the height of the pandemic. This increase is likely driven by a combination of increased demand and a subsequent increase in funding enabling them to reach more people. In 2022-23, they capped their food parcels at 50,000 due to capacity and not wanting to create dependency on food parcels.
- 14.ACM expressed that demand for food support is always greater than their capacity to deliver and therefore advised that food parcel distribution numbers should not be used as an indicator of demand. Further work would need to be

undertaken to develop a more scientific approach to measuring demand for community food support.

ACM has strong needs-assessment and food distribution processes

Needs assessments

- 15.To access a food parcel, clients must first call ACM and a phone screening takes place. This screening includes gathering of demographic data, the reason for the food need (including checking eligibility), if they have first tried to access support from Work and Income (W&I), and how many dependents the client has.
- 16.Demographic and income data of those accessing food support from ACM's Boston St site is attached at Appendix 1.

Distribution of food parcels

- 17.ACM are currently the single largest provider in New Zealand of food parcels and work in partnership with other providers to operate across four distribution sites:
 - 17.1 MUMA (Ngā Whare Waatea)
 - 17.2 Papakura Marae
 - __17.3 Manurewa Marae
 - 17.4 Boston Road (ACM's distribution site for Auckland central).
- 18. Food parcel numbers are split fairly evenly across these sites and all sites have similar distribution checks and processes in place through their Memorandum of Understanding with ACM. Clients access food support at the distribution site closest to their residential address.

Referrals to complimentary support services

- 19.If clients are regularly accessing the food service, then a face-to-face meeting will occur with ACM's manaaki staff. They conduct a more in-depth assessment of need and refer to complementary support services, both internal and external, to address the root causes of the client's food need.
- 20. These culturally appropriate services include health, housing, domestic violence, addiction services, budgeting, W&I, and strengths-based solutions such as volunteering.
- 21. During the needs assessment, clients are asked if they are receiving support from W&I. ACM foodbank staff advocate and support clients with W&I where required. A W&I staff member is co-located at Homeground (ACM's multipurpose CBD facility), as part of the street-to-home programme. ACM foodbanks clients (offsite at Boston Rd) can access this service, however often clients at Homeground take up the majority of the caseworkers capacity. ACM has identified that if there was an additional W&I staff it would be easier for foodbank clients to access support.

ACM is reducing the cost of operating their food services

22. s9(2)(ba)(i)

23.ACM have told us that trusts and grants income has decreased to very low levels. ACM have heard that trusts view food as a human right (alongside housing) and therefore is not the focus of trusts or philanthropy funding.

Role of food rescue and New Zealand Food Network (NZFN)

- 24. Approximately 20% of food distributed by ACM is donated or rescued food items. NZFN provides the majority of this rescued food to ACM free of charge. Over the last 12 months, NZFN have provided 115 tonnes of food supplies, with an approximate retail value of \$1,104,000.
- 25.ACM have been operating their bulk food distribution from a warehouse at Ngā Whare Waatea (MUMA). As a part of their cost saving exercise, they are reducing staff and closing this facility by 30 June 2024. From 1 July 2024 the New Zealand Food Network (NZFN) will purchase, pick, and pack ACM's ambient food boxes and deliver these to their distribution sites. This will create efficiencies by centralising procurement and will allow them to focus on providing a local response to distribution within the communities they serve.

Government funding for ACM in FY2024-2025

- 26.Based on our current procurement process and modelling we estimate that for F2024-25 we will be providing ACM with contributary grant funding totalling \$300,000. Please note, this is subject to procurement process and regional engagement. They may also be eligible to apply for food security initiative funding which invests in locally led social enterprises to increase the amount of healthy and low-cost food options in low-income communities. However, it is too soon to predict the outcome of this procurement process.
- 27. Given the costs of operating ACM's food service, it is likely that ACM will need to significantly decrease the number of food parcels that they provide. This comes at a time when other major food providers across the country are also decreasing or capping the amount of food parcels they distribute. This may have flow-on effects and further impact at-risk families.
- 28.Any additional FSC funding to ACM would decrease the funding available for the rest of the country. With the current level of funding, it is already difficult to ensure adequate support to at-risk communities across the country.

Further opportunities to reduce the cost and demand on ACM's food services

29. Our analysis shows that ACM are already undertaking changes in the areas where we would recommend that they could make savings such as ensuring they have a thorough needs-assessment process, ensuring that clients are engaging with W&I, and utilising NZFN to create efficiencies in purchasing, picking, and packing their food parcels. The following recommendations could further help ACM reduce costs over the medium to long-term.

Work with other community food providers to refer clients to their closest community food provider

30.Currently people from all over Auckland are approaching ACM for community food support. ACM already work closely with their marae partners to ensure whānau are supported by the site closest to them. There is an opportunity to better coordinate with other foodbanks and ensure that clients are accessing food support from their closest provider. This could involve a mapping exercise and agreement between foodbanks to refer clients to the service nearest their home address. This could reduce ACM's demand.

Provide further low-cost food alternatives

- 31.ACM established a low-cost pop-up food shop at Homegrown. This provides an affordable and healthy food alternative to low-income whānau who might otherwise need a food parcel. This has been operating once a week for about 12 months and has proved popular with both people living and working in the area, ACM clients, and residents at Homegrown. They have registered as an MSD supplier and have the capacity for clients to use MSD payment cards (green cards). Their intention is for this initiative to continue, and they will slowly expand into other grocery items.
- 32.If provided further capital funding (through the likes of the food security initiative funding), they could expand this pop-up shop to operate more days per week and provide a greater range of affordable grocery items. This could have greater impact on increasing food security for those who could afford a part payment for the value of the food and hopefully decrease demand on food parcels over time.

Further utilise MSD resources and employment products

33.ACM have an existing relationship with the Auckland Regional team, including the support of a Work Broker who is able to assess the eligibility of any new employees for subsidies. Subsidies can help to reduce employee costs in the short term.

However, these recommendations will take time to create impact

34. Our analysis indicates that these recommendations above will only impact on ACM's costs in the medium to long term and therefore ACM will still need to reduce their community food distribution. The only short-term solution to

maintain ACM's distribution of food parcels at 50,000 would be a sizable increase in funding.

MSD options to support ACM

- 35.Option one (preferred)- Proceed with the proposed contributary grant funding of \$300k in F2024-25 and invite them to apply for Food Security Initiative funding. This option provides some contributory support to ACM and recognises the increase in demand for their services since the pandemic but ensures that the limited FSC funding is shared equitably across the country.
- 36.Option two- Double the proposed contributory funding to \$600k for ACM in F2024-25 recognising the significant role they play in support some of the most vulnerable people in Auckland. This would involve a decrease in proposed funding for the 99 other food providers.
- 37.Option three- Provide ACM with the \$1.5m they requested to maintain 50,000 food parcel distribution in F2024-25. As there is a total of \$3.5m available in F2024-25 in the FSC programme for community food providers, unless further funding can be sourced from elsewhere for the FSC programme, this option would provide nearly half of the available funding to ACM. This would create an inequitable situation where other community providers across the country would receive very small grants which wouldn't substantially support their food services.
- 38. Note that any increase in proposed funding will help support ACM in the short-term but ACM is likely to face a similar funding shortfall in F2025-26 and onwards.

Next steps

- 39. Officials are currently finalising projects plans and procurement process for the FY2024-25 FSC funding.
- 40. We look forward to discussing this analysis with you and your preference for any options identified.

Author: Neill Ballantyne - Principal Advisor, Pacific and Community Capability Programmes

Responsible manager: Serena Curtis - General Manager, Pacific and Community Capability Programme

s9(2)(ba)(i) As a find the official life of Appendix 1- Demographic and income information for ACM's Boston road food distribution site (since July 2023)

s9(2)(ba)(i)





Date: 10 May 2024 Security Level: In-Confidence

Hon Louise Upston, Minister for Social Development and

To: Employment

File reference: REP/24/5/401

Analysis of current demand for community food support

Purpose of the report

This paper provides you with analysis on the current demand for food funding and the distribution plan for funding in 2023/24. It supports the intended approach to transfer \$4 million of Food Secure Communities (FSC) funding to 2024/25, for which an implementation plan is also outlined in this paper.

Recommended actions

It is recommended that you:

Current demand for food

- note that the FSC team have analysed information from reporting submitted by community food providers, data from our national partners, and intel from previous regional engagements to better understand demand for community food support
- 2 note that we are planning to distribute \$4,175,001 of funding before the end of the financial year which includes specific funding for community food providers in areas affected by the North Island Weather Events (NIWE) and for non-NIWE affected regions
- note that our analysis shows that the \$4,175,001 funding will be sufficient to support the community food sector for the remainder of this financial year

Food Secure Communities

- 4 note that there is \$4 million of FSC funding unspent in 2023/24, previously identified for cost savings, now intended for transfer to 2024/25 to support the ongoing demand for community food support
- note the implementation plan to confirm the distribution of the total 2024/25 food funding, which will include the identification of infrastructure and regional hub partners and community food providers
- 6 note officials will advise you of the final funding distribution through the approach outlined in recommendation five.

ShQuitto

10 May 2024

Serena Curtis General Manager, Pacific and Community Capability Programme

Date

Hon Louise Upston

Minister for Social Development and

Employment

20/025

Date

Background

- At the Officials meeting on 29 April 2024, you indicated your preference to proceed with option four for the use of the ringfenced \$7.5m (including a transfer of \$4m from this financial year) funding from the Food Secure Communities (FSC) programme which had previously been identified for the cost saving exercise [REP/24/4/360 refers].
- 3 Option four splits the \$7.5m investment across three areas:
 - \$3.5m to invest in supporting about 100 community food providers
 - \$1.5m to further strengthen the community food distribution network with a focus on community food hubs
 - \$2.5m to invest in approximately 10 food security initiatives.
- We understand that you have heard from the sector that demand for community food support is currently high and have directed us to undertake analysis to ascertain if further funding is required for community food providers this financial year.

Demand for community food support

- Overall demand continues to increase as is clear from research undertaken by New Zealand Food Network (NZFN)¹ which revealed a 42 percent increase in demand for food support in 2023 compared to 2022 and an 83 percent increase from 2021.
- Another national partner, Kore Hiakai Zero Hunger Collective, meet regularly with the sector to identify trends. Their latest report indicates that providers are now having to cap numbers to manage their capacity and have reduced staff availability to assess whānau needs. Others spoke of need outstripping their ability to provide.
- Over the nine months from August 2023 March 2024, Ministry of Social Development (MSD)-funded community food providers and community food hub providers have reported they distributed:
 - 383,896 food parcels
 - 4,272,813kg of food.
- A monthly breakdown of the number of food parcels and providers for the August 2023 March 2024 period is shown in the chart below.

¹ The bi-annual NZFN Food Security Snapshot surveyed 60 of NZFN's partner Food Hubs about the current state of demand for food support from July – December 2023.

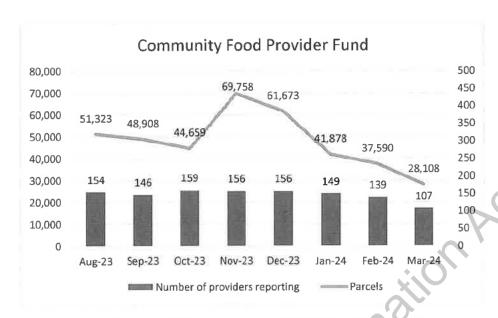


Chart 1- reporting to MSD by providers Aug 2023-March 2024

We note that this reporting indicates that parcels being distributed by our providers have decreased over the 2024 calendar year. This does not reflect actual demand as the number of reports submitted has decreased and some providers may have already depleted their grant funding and therefore be unable to meet the demand they are currently experiencing.

Current funding forecasted to meet need in the short-term

10 Distribution of 2023/24 funding is underway to the community food sector with \$3m to North Island Weather Events (NIWE)-affected regions and \$1.175m to non-NIWE regions as follows:

Region	Estimated value per region	
Auckland Central (and East Auckland)	\$331,250	
Auckland North/ West	\$581,250	
Auckland South	\$581,250	
Bay of Plenty	\$202,423	
Canterbury	\$256,773	
Central	\$110,305	
East Coast	\$756,250	
Nelson, Marlborough, West Coast	\$71,544	
Northland	\$500,000	
Southern	\$131,878	
Taranaki, King Country, Whanganui	\$115,243	
Waikato	\$250,000	
Wellington	\$286,835	
Total	\$4,175,001	

Table 1- Current food provider funding in process of distribution for NIWE and non-NIWE regions

- 11 Distribution of this funding is estimated to take four to six weeks to fully complete. The NIWE regions are being prioritised first and grant letters should be sent out to these providers within the next week.
- Our analysis of current demand indicates that the funding currently being distributed (as set out in table 1) is sufficient support for sector over the next three months.
- As such, we suggest continuing to progress with the transfer of \$4m unspent funding from 2023/24 to 2024/25, to provide additional support to the community food sector next financial year.
- Subject to approved transfer, this would provide a total of \$7.5m funding in 2024/25 to invest, supporting your preferred approach.
- 15 An implementation plan will confirm the distribution of the total 2024/25 food funding, which will include the identification of infrastructure and regional hub partners and community food providers. The proposed grant amounts we consider to be the most appropriate will be determined by using the following:
 - 15.1 a deprivation-based allocation model
 - 15.2 intel from previous regional engagements
 - 15.3 reporting to MSD from community food providers.

Next steps

- Subject to your support, officials will prepare for the transfer of unspent \$4m from 2023/24 to 2024/25 and advise you of the final distribution of funding through the above approach.
- 17 We will progress with procurement processes required to invest the funding from 1 July 2024. Timing of the full distribution of funding will depend on when funding is available through transfer. Officials will work with your office to confirm communications and timeframes.

Author: Neill Ballantyne - Principal Advisor, Pacific and Community Capability Programmes

Responsible manager: Serena Curtis - General Manager, Pacific and Community Capability Programme