



PROPOSAL

FUND FOR THE PROVISION OF FOOD FOR VULNERABLE PEOPLE DURING THE COVID-19 CRISIS

EXECUTIVE SUMMARY

(20th March 2020)

Key Points

The rapid progression of the COVID-19 pandemic across the nation has, among other issues, given rise to four key social challenges. This proposal will simultaneously address:

1. Ongoing and reliable employment for the hospitality workforce;
2. The diminishing numbers of volunteers and reduced supply of donated food in the food relief sector;
3. Vulnerable people in society not being able to access a consistent supply of food, and
4. The social connections and mental health of the community.

Value Proposition

At this time of crisis caused by the COVID-19 pandemic, donkey wheel's connections across the social capital network has enabled us to identify three groups of people adversely impacted: vulnerable people needing food provision; workers in the hospitality industry and those involved in providing food relief. Another emerging issue is social isolation leading to social disconnection for vulnerable people in society.

We realise that we are not the only people giving thought to these issues, but believe that we are well positioned to design and catalyse an effective program to mitigate some issues that are becoming more critical by the day. We have observed with our own eyes the impact this is having on our partner café, *Kinfolk*, which has seen a 90% drop in business. *Kinfolk* is not alone in this environment – it is one example of a growing number of businesses facing closure.

The Context and the Proposal

Our proposal calls for a funding mechanism that will enable the redeployment of the hospitality workforce and ensure the continuity of food relief. As social isolation becomes more prevalent, restaurants and cafés are experiencing a significant reduction in business, to the point of either temporary or permanent closure. Indeed, we are already experiencing this in Victoria.

The staff in this sector are skilled at preparing, cooking and delivering food. Without intervention, their skills will not be used, and they will experience a growing anxiety about accessing funds and/or food. Many of them will be forced on to Newstart, or other forms of assistance.

Those restaurants and cafés will have eating areas, storage areas and kitchens sitting idle.

Those charities and not-for-profit organisations who rely on excess food and donations from restaurants, cafés and supermarkets to support vulnerable people in our community will no longer be able to support those who need it the most.

The trickle-down effect is frightening.

We are proposing that a joint fund is established between Federal, State and Local Governments, providing access to food and meals for people in need.

1. The allocation of funding through the existing cashless debit card system of Centrelink or a system like the Victorian food voucher system, which allows participants to access meals or food parcels;
2. These meals and/or food parcels are prepared at approved hospitality venues or food relief organisations, thereby keeping them open (in a reduced capacity), keeping some staff employed and creating a safe environment for social connection. We envision that these meals could come in packs of three or five, for example, and
3. Meals and food parcels could be picked up in person, or delivered by existing providers (such as Uber Eats), again keeping those people employed. Delivery would be crucial for members of the community with a disability, those who are self-isolating and self-quarantining, or the infirm or aged.

The strength of this approach is that it deals with a number of key challenges simultaneously. Unlike a strategy where government funds the delivery of services, a food voucher system leverages existing business, relief and community assets. On the one hand, as with the NDIS design, it allows recipients to make meaningful choices, and on the other, it invites suppliers to self-select into the program based on their agility and capacities. By redeploying hospitality employees, enabling an alternative supply chain for food relief programs and utilising cafes and restaurants as connection hubs, multiple side effects of this crisis can be mitigated.

The benefit of this proposed funding is that people remain employed (and therefore able to access food for themselves and stay off welfare); that restaurants and cafés stay open and provide a subsidised service to their immediate communities; that the most marginalised and vulnerable in our community have their food needs reliably provided, and an opportunity for social cohesion and connectivity is provided.

Specific Funding Opportunities

Geelong

- 175,000 meals per week;
- 700-800 hospitality workers avoiding welfare.
- Cost: \$36.4 million over six months.

A food voucher system already exists in Geelong, facilitated by the *Geelong Food Relief Centre*. Our partner, *The Give Where You Live Foundation (GWYLF)*, supports the Centre through their *Feed Geelong* program and is strongly connected across the food relief network. GWYLF therefore has the ability to

help multiple agencies pivot in the direction of this proposal. This network is a prime example of a food relief network that would be able to effectively serve its immediate community with a scaling up of targeted and emergency funding.

Part of the redeployment of staff will be to recruiting, educating and managing suppliers within the program, including hospitality businesses, food relief agencies, food supply and delivery businesses, as well as system and process design and implementation.

According to *Feed Geelong*, currently 15,000 meals per week are being provided to families in need. If the need expands to 10% of the population (25,000) the network will need to provide 175,000 meals per week at an approximate cost of \$1.4 million per week, or \$36.4 million over six months.

Melbourne

- 105,000 meals per week
- 400-450 hospitality workers avoiding welfare.
- Cost: \$21.8 million over six months.

donkey wheel is a social innovation leader, and has been a trusted coach and mentor within the hospitality social enterprise sector. Our network and circle of influence includes some of the most significant players in the sector. Our primary channel of influence in Melbourne will be through this ecosystem.

Kinfolk Café is an example of a CBD hospitality business with embedded social impact in its business plan. *Kinfolk Café* is ready and able to repurpose its kitchen and café space near Southern Cross station and redeploy staff to provide meals to meet the increased demand. Donkey wheel has been in discussion with Kinfolk about the logistics of meal preparation. This social enterprise would have the capacity to produce 1000-2000 meals a day across its café and catering businesses and would employ 30-40 people otherwise on Newstart.

Anglicare and Salvation Army¹ data reported from mid-2008 to the end of 2009 an increased demand for emergency relief. This is consistent with the onset of the GFC. The forms of assistance that experienced the most demand included the provision of food vouchers. The consistent comparisons to the Global Financial Crisis, and projections that the economic impact from the COVID-19 pandemic will be worse, means that the demand for emergency relief in the City of Melbourne will rise dramatically and quickly.

Funding can be directed to the existing food voucher system in the City of Melbourne. According to the *City of Melbourne Urban Health and Wellbeing Profile 2016*, there were over 100 Community Food Programs operating in the City of Melbourne. This report highlighted that 10,000 people were experiencing food insecurity.

If the number of people needing emergency food relief increases to 10 percent of the population, that would mean providing 105,000 meals per week with 400-450 hospitality workers redeployed and

¹ https://melbourneinstitute.unimelb.edu.au/assets/documents/hilda-bibliography/other-publications/2013/Homel_etal_Welfare_agencies_and_provision_of_emergency_relief_op_43.pdf

avoiding welfare. Our estimate of the cost of this would be \$21.8 million over six months, in the City of Melbourne alone.

This funding would be able to repurpose existing food relief infrastructure, and cafés and restaurants that are already established in the local community.

Estimated Overall Numbers²

The number of Australians on welfare is approximately 5 million. There are another 2.5 million people that could be classified as 'vulnerable' due to underemployment and the impending recession. The cost of this proposal, estimated to last for six months, is 4 billion dollars. This provides the most vulnerable 2.5 million people a sense of certainty about their food supply. Approximately half of the 4 billion dollars would go towards wages to employ people who otherwise would end up on welfare.

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² The numbers in this paragraph are the result of conversations with people in the relevant sectors, and are estimates only. If this proposal progresses, a rigorous accounting measure will be employed.