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Committee Co-ordinating Executive Group (CEG)
Author Kirby MacLeod, Wellington City Emergency
Management Office

Fast Moving Consumer Goods (FMCG) Planning

1. Purpose

To inform the Co-ordinating Executive Group of the significant gap in effective planning for food availability during and after a disaster (e.g. earthquake, pandemic).

2. Background

The underlying premise of the *Civil Defence Emergency Management Act 2002* (the Act) is that organisations and agencies who normally do the work are the ones best placed to do it, and the ones who will be actually doing the work in an emergency or disaster. Therefore, these organisations and agencies need to plan for this contingency. [Refer Sections 58, 59, 60 and 64 of the Act]. This premise also applies to agencies identified as lifeline utilities under Schedule 1 of the Act.

When the Act was drawn up transport infrastructure, electricity, gas and telecommunications providers, water and wastewater utilities and the petroleum sector were among those identified as lifeline utilities under Schedule 1. Missing from this list was the fast moving consumer goods (FMCG) sector. This sector comprises the businesses involved in the production, distribution and retail of food and foodstuffs to communities.

If the FMCG sector is not classified as a lifeline utility under Schedule 1 of the Act, then the duties of lifeline utilities (Section 60 of the Act) do not apply to this sector – including a duty to plan for civil defence emergency management and to function during and after an emergency.

As a result of Exercise Cruickshank (a 2007 national pandemic exercise), a central government memo was released, explicitly stating that CDEM Groups will support the continuation of the fast moving goods sector's operations – including the transport and logistics support to get food into shops. Aside from

this placing an enormous burden on members of CDEM Groups, it flies-in-the-face-of the underlying premise of the Act - whereby the organisations and agencies who normally do the work, are the ones best placed to do it, and the ones who will be actually doing the work in an emergency or disaster.

3. Progress made to date

The Ministry of Civil Defence and Emergency Management has acknowledged that the participation of the fast moving consumer goods sector is a significant issue, and are reported to have started working on it. However, it is still unclear what, if any, progress has been made to date and how we can support their efforts to fast track this issue.

Over the past six years, since the commencement of the Act, the fast moving consumer goods sector has not participated in civil defence emergency management arrangements in the way other lifeline utilities have.

Without the full participation of the fast moving consumer goods sector in civil defence emergency management, there are no assurances that the food distribution and retail sectors will seriously plan for a disaster or significant emergency event.

The businesses that supply or distribute food to retail outlets and bulk customers are the organisations that understand the food chain model and its business dependencies. They are the best-placed to plan for disasters or significant emergencies involving disruptions to food distribution and supply, and are the best-placed to re-align or radically shift their business models to cope with these situations.

4. Where to from here?

To change the status of the FMCG sector to that of a lifeline would require an amendment to Schedule 1 of the CDEM Act. Section 61 of the Act provides for amendments to Schedule 1 by an Order in Council.

It may be of value if the Wellington Region CDEM Group acknowledges the importance of and expresses its support for the FMCG sector to be included as a Lifelines Service under Section 1 of the CDEM Act.

5. Conclusion

The FMCG sector has no statutory responsibility to ensure that it is able to function during and after an emergency or to participate in civil defence emergency management planning. That is the responsibility of a lifeline.

If, for lack of planning, this sector fails to cope with the impacts of a disaster, food may not get to affected parts of the country. There is scant evidence to suggest the sector has emergency planning arrangements in place.

Sincere efforts should be put in place to get the FMCG sector classified as a Lifeline Service and that the sector is included in Schedule 1 of the CDEM Act.

6. Recommendations

That the CEG:

- 1. receives the report and notes the contents; and*
- 2. requests the Ministry of Civil Defence and Emergency Management to initiate effective measures, through an 'Order in Council' according Section 61 of the CDEM Act, to have the FMCG sector classified and included as a Lifelines Utility under Schedule 1 of the CDEM Act 2002.*

Report prepared by:

Kirby MacLeod
Wellington City Emergency Management
Office