



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

Healthy School Lunches Programme Operational Policy

Small and Isolated Funding

Policy owner:	General Manager, Strategic Programmes
Policy is managed by:	Principal Advisor
Approval date:	30 January 2026
Next review:	December 2026

Purpose

1. The intent of this policy is to detail the eligibility criteria for schools, kura and suppliers for the allocation of small and isolated funding and provide a clear application and approval process for Senior Advisors to follow when working with schools, kura or suppliers who because of their location, require additional financial support in for the provision of lunches.

Background

2. Small and isolated funding was developed to address equity and the viability of internal model schools who needed additional support and resources to provide lunches through the programme however it became clear that this impact was wider than just the internal model.
3. Many smaller schools do not have the additional resources and funding available to support the programme. This funding recognises that a similar level of effort is required to support the programme to be sustainable in both small and large schools.
4. Exploring small and isolated funding is at the discretion of the schools regional Senior Advisor who use their knowledge and the small and isolated funding guidance to identify schools and kura who may require additional support. Any application for funding requires Service Delivery Manager approval.
5. In some instances, suppliers may also be eligible for funding where the size or location of the school or kura they are delivering makes lunch provision difficult or unviable.
6. Following Cabinet decisions in 2024, the design of the overall School Lunches programme was changed, impacting the defined eligibility criteria and application of small and isolated funding. This included the introduction of a contracted wholesaler which much reduced the need for schools to need assistance to access ingredients at discounted rates.

Scope

7. This policy applies to schools and kura experiencing size and distance disadvantages while participating in the programme. This recognizes internal, iwi and hapū and external model suppliers contracted through the programme to provide lunches to small or isolated schools or kura.

Policy

8. The intention of the policy is to ensure Schools and kura participating in the Healthy School Lunches programme have equitable access to the provision of lunches, by offsetting expenses related to their size and/or location.
9. Small and isolated funding is only utilised in instances where there are recognised barriers to providing lunches.
10. Funding can only be approved for wages, training, and food safety costs. In exceptional circumstances, this can also be used to offset mileage and freight costs.
11. Access to funding for *small* schools, kura and suppliers will be predetermined based on the March roll returns at the start of each year. Funding for Teen Parent Units and Activity Centres can be based on their Ministry notional roll numbers. Funding for *isolated* schools, kura and suppliers will be approved on a case-by-case basis.
12. All funding is subject to ongoing budget being available.

Eligibility Criteria

Small Schools and Kura

13. To qualify for *small* school funding, a school or kura must face barriers to implementing the programme because of their size. The criterion for *small* schools is having **80 or less ākonga** on the school roll or as an Internal Model Head School supplying to 80 or less ākonga. We understand that rolls may fluctuate during the year and schools need funding certainty for budgeting purposes. For this reason, Small & Isolated funding will be based on the March roll return and will be maintained for the rest of the year unless a material roll increase occurs. If the roll increases to over 80 ākonga, funding will be reviewed in consultation with their senior advisor. For Internal Model schools, consideration will be given to the kura or school's surplus or deficit.
14. Small schools are likely to require additional support predominantly for wages due to their inability to achieve the same economies of scale as larger providers.

Preferred Wholesaler Supply to Schools

15. Internal and iwi/hapū model schools will have access to ingredients at a reduced rate from the Programmes preferred wholesaler. It is recognized that they will still face barriers to provision due to limitations on staffing and other fixed expense costs because of their small school roll.
16. Internal and iwi/hapū model schools where the preferred wholesaler is unable to provide ingredients, will be assessed for additional funding support on a case-by-case basis.

Schools and Kura

17. Schools and kura (with the exception of Teen Parent Units or Specialist Schools), who meet the criteria for small schools will have access to the following funding support (aligned with their school roll):

School Roll	Termly Funding Allocation
0-15	\$5,790 (based on schools requiring 20 hours of supplementary labour at the current Living Wage each week to support lunch provision)
16-35	\$4,342.50 (based on schools requiring 15 hours of supplementary labour at the current Living Wage each week to support lunch provision)
36-80	\$3,474 (based on schools requiring 12 hours of supplementary labour at the current Living Wage each week to support lunch provision)

Teen Parent Units and Specialist Schools

18. Teen Parent Units and Specialist Schools may be approved for Small and Isolated funding. These schools still face the same barriers to provision due to limitations on staffing lunch provision due to their small school roll.
19. Current arrangements for Teen Parent Units and Specialist Schools will remain in place for 2026.
20. Any new Teen Parent Units or Specialist Schools to the Internal Model who Senior Advisors assess as requiring additional support due to their size or location will be able to submit a Small and Isolated Funding Request Form. These schools and kura will be eligible for funding to a maximum of the following rates:

Reason	Rate	Frequency
Wages	Up to 30 hours at the Living Wage	Weekly
Food safety training and setting up Food Control Plan	Up to 30 hours at the current Living Wage	One-off
Supplementary Funding	\$3.50 per student	Weekly

Other Funding in Exceptional Circumstances

21. Annual Food Control Plan verification may be covered by this funding, along with expenses relating to food safety training. While these are not the central focus of the funding, these can be approved on a case-by-case basis in situations where schools are unable to operate the internal model without additional support. All funding for exceptional circumstances must be approved by the General Manager, Strategic Programmes.

Isolated Schools and Kura

22. Schools and kura, Teen Parent units and Specialist Schools on the internal and iwi/hapū model will have access to ingredients at a reduced rate from the preferred wholesaler. These schools will therefore not face the same barriers to accessing food items as previously, i.e. those previously accessing more expensive ingredients from local providers or driving distances to the nearest supermarket.
23. There are a small number of exceptions to this who may require additional funding support for mileage and freight costs if these are not able to be provided by the supplier or wholesaler. Or in a small number of cases where isolated Teen Parent Units or Specialist Schools with an external supplier do not have access to ingredients at reduced rates from the wholesaler. These schools may require additional support for mileage and/or freight costs and will be managed as exceptional circumstances. All funding for exceptional circumstances must be approved by the General Manager, Strategic Programmes.
24. Schools and kura with an **isolation index of 3 or above** who are eligible for isolated funding, will be funded to a maximum of the following rates:

Reason	Rate	Frequency
Mileage/Transport (to access the school or supplies for lunch provision)	Maximum \$1.20 p/km	Weekly
Supplementary Funding	\$3.50 per student	Weekly

25. Additional funding may be available on a case-by-case basis. A request must be raised to the General Manager, Strategic Programmes with sufficient evidence to make an informed decision. E.g. an island-based school, kura or supplier may need additional funding for transport costs. The request must come through with a cost per kilometre or kilogram (or both) and why the cost (E.g. dictated by shipping company, additional fuel consumption due to weight).

Application and Approval Process

26. Schools and kura who meet the eligibility criteria detailed above, **will be eligible** for small and isolated funding as outlined in this policy. These payments will be tracked and processed by the Financial Programme Manager and Programme Delivery Team.
27. New Teen Parent Unit or Specialist schools or kura that meet the criteria for funding detailed in this policy are **required to complete** a Small and Isolated Funding Request Form.
28. Once a Small and Isolated Funding Request Form is completed, the Senior Advisor should refer to the request form to the appropriate Service Delivery Manager for their endorsement. The request will then need to be referred to the Financial Programme Manager to assess impact on the programme budget. Once these steps have been completed, the funding request can be sent to the General Manager, Strategic Programmes for final approval.
29. Any additional funding requests for *other funding in exceptional circumstances or for isolated schools and kura*, will require the endorsement of a Service Delivery Manager and the development of a business case or memo. The memo is then emailed to schoollunches.approvals@education.govt.nz using the template for approvals available on Confluence – Forms and Finance.
30. Senior Advisors are responsible for communicating request outcomes to schools, kura or their suppliers. Approved applications should be saved in Salesforce and sent to schoollunches.invoices@education.govt.nz for tracking and processing.
31. If a request is declined, the Senior Advisor will work with the schools so that appropriate steps are taken, and future funding applications align with this policy.

Ownership and Responsibilities

32. The table below outlines the roles that are required to apply this policy, and the responsibility of each role:

Role	Responsibilities
General Manager, Strategic Programmes	Approving small and isolated funding for schools and kura, and suppliers where this is escalated by a Service Delivery Manager or an Iwi and Hapū Lead.
Service Delivery Manager	Endorsing isolated funding applications for schools and kura, and suppliers respective to their regions of responsibility.
Iwi and hapū Lead	Supporting and endorsing applications for isolated funding.
Lead Advisor Internal Model	Supporting applications for isolated funding.
Financial Programme Manager	Tracking approved funding and payments.
Senior Advisors	Identifying potential schools, kura and suppliers who may require additional support. Supporting isolated funding applications and processing for approval. Communicating outcomes to schools, kura and suppliers.
Programme Coordinator	Processing all payments.