



Meals on Wheels Victoria

4 September 2023

Dear Finance and Public Administration References Committee

I thank you for the opportunity to provide a submission to the Inquiry into management and assurance of integrity by consulting services (Consulting services). My submission relates to the transparency of work undertaken by consultants, and the accountability of consultants for this work.

By way of background, Meals on Wheels Victoria (MOWV) is the peak state body, representing the community of grassroots services across Victoria dedicated to the wellbeing, connection and independence of our most vulnerable. We are committed to the continuous improvement, promotion, and sharing of information and ideas for all Meals on Wheels providers throughout metropolitan and regional Victoria. It is our aim to raise awareness of Meals on Wheels, continue to develop and improve the essential service across the state and acknowledge the unwavering dedication of our paid and volunteer workforce.

For over 65 years, Meals on Wheels has played a crucial role nationally in supporting the health and wellbeing of over 200,000 older Australians every year across a network of over 590 service locations. The networks' shared purpose is to support well-nourished, independent and connected communities through the delivery of a nutritious meal, social connection and a wellbeing check by our dedicated volunteer workforce. This network is currently at serious risk due to the awarding of a contract to a consultant by the Department of Health and Aged Care (DOHAC).

In December 2021, Miles Morgan Australia (MMA) were originally awarded \$5,487,190.50 for "Business Transition Project for Meals on Wheels Australia". This contract was increased to \$7,048,090.50 in October 2022. Details of the contract can be found at this AusTender link:

<https://www.tenders.gov.au/Cn/Show/94e8f9c2-8bb6-4a91-b873-3a02fb493db4>

This project has become known as "Future Fit". MOWV initially welcomed the Future Fit project as a trial of systems, processes and models of service delivery. However, to date MOWV has not seen substantial evidence that the Future Fit Project has achieved its objectives. On this basis, MOWV question whether MMA is providing value for money to the government for this project. Counter to the project claim that it would provide greater stability in the network, the Future Fit Project has created just the opposite.

The project has been marred by lack of transparency and communication, few deliverables and unprofessional behaviour from the consultants and a senior Departmental officer. MOWV Victoria has attempted to gain access to documents regarding the project via Freedom of Information but has been told several times our requests “*would substantially and unreasonably divert the resources of the department from its other operations.*”

MOWV are mystified by claims of non-support, filtering information and lack of engagement with the Department of Health and Aged Care. Unfortunately, it is the opinion of MOWV that the Future Fit project has been conducted under an atmosphere of secrecy, division and misinformation, and has so far failed in its aim of creating efficiencies and effectiveness.

MOWV were informed that the Future Fit project was to be a partnership with the Board of Meal on Wheels Australia (MOWA) providing leadership and stewardship for the program of work within the network and with key external stakeholders. MOWA was to create the platform for reform and change.

MMA was substituted by the Department to run the project, for MOWA who had submitted the application for funding. The wider MoW network have been advised on a number of occasions, by both MMA and the Departmental officer concerned, that the Department were not willing to engage with MOWA. At a Sydney Town Hall meeting in April 2022, The Departmental Officer with carriage of the Future Fit project informed participants that there were three leaders at MOWA he was not prepared to deal with. No substantive reasons were given for that refusal to deal with MOWA. It is completely unacceptable that the National Peak Body for Meals on Wheels has been sidelined by both the DOHAC and MMA.

Probity

There are serious concerns about the probity of the awarding of this contract to MMA.

- MOWA proposed this project, the DOHA could and should have funded MOWA under a “Funding Agreement” to deliver the Future Fit project. This would have prevented any concerns about intellectual property because under a funding agreement, the organisation being funded owns the intellectual property (IP). The Commonwealth has the right to award Funding Agreements at any time. This is what should have happened in this case.
- Instead, the Department entered into a “Contract” with Miles Morgan Australia. This created a problem because under a contract, the Commonwealth owns the IP. That includes the Commonwealth having the right to assign the IP to others as it sees fit. So MOWA has no control over Future Fit and cannot stop the Commonwealth handing the information they learn over to a commercial competitor.
- This was under Standing Offer SON3672363. This is a standing panel called the Aged Care Policy Development Panel. The panel was due to end 30 June 2023 but there is a clause in the panel agreement that allows for a possible extension up to two years. There are 63 organisations on that panel including Miles Morgan. <https://www.tenders.gov.au/Son/Show/205eb8e5-78dd-4345-bf83-2e6971820bcd>

- It is MOWV understanding that others on the panel were not invited to submit a proposal for the Future Fit project and it appears likely that MMA may have been the only organisation invited to submit a proposal which is not good practice and potentially breaches procurement guidelines.
- The Department of Finance guidance on procuring from a panel state: *“wherever possible, you should approach more than one supplier on a Panel for a quote. Even though value for money has been demonstrated for the supplier to be on a panel, you will still need to demonstrate value for money when engaging from a Panel, and competition is one of the easier ways to demonstrate this.*
- *Where you only approach one supplier, you should provide your delegate with reasons on how value for money will be achieved in the procurement.”* MOWV have serious concerns regarding the value for money of this taxpayer funded project.
- DOHAC appears to have used the opportunity of MOWA proposing Future Fit to invite only Miles Morgan to do the work, potentially on the basis that MMA implements a DOHAC agenda.

Project deliverables

The project was, among other deliverables, to provide:

1. Improved transparency through better data capture and reporting capabilities
2. Improved service quality and safety through a stable and viable network.
3. Improved efficiencies through people, process and technology reform

Data capture and reporting

MOWV have had concerns about the scope and premise of the Future Fit funding from the inception. There was a complete lack of consultation about the questions in the initial stocktake survey. Some of the questions were irrelevant to the whole of Australia. The relevance or accuracy of the data was flawed because any results were based on an invalid set of questions. The data therefore could provide no basis for major decisions about funding, the effectiveness of the network, or extrapolate any means to improve efficiency, with the exception of the general agreement that providers could job share some administration.

Recently a First Assistant Secretary from DOHAC stated to MOWV that *“The initial aspect of Future Fit was engaging with **willing Meals on Wheels providers that had CHSP contracts delivering frontline food services to undertake a financial and operational stocktake**”* This is actually untrue. As you will see from the below information Victorian services were willing to undertake the stocktake and MOWV were promised resources that were never forthcoming to do so. It appears these resources were deliberately not provided as a way to exclude Victoria from involvement in the Future Fit project.

In early 2022 there were various emails back and forth about the Future Fit project. Both VIC and WA sought a meeting with MM and MOWA to discuss concerns about the project. MOWV had not been consulted for example about branding our States set-up as a ‘licensee model’ and were confused about the project’s intent, outcomes, scope and relevance to both States. From what Nelson understood the project consisted of a stocktake with a swag of ‘benefits’ to services if they undertook it.

However, there was confusion about the scope of the project, and its proposed working groups (4) and the lack of detail about how it was to be resourced, especially in Vic and WA (only having one part time paid employee each). Victoria could see the logic of a stocktake (in essence to help prove once and for all that local governments and other organisations were propping up the MOW model, and that the unit cost needed to be over \$12). MOWV were assured that project resources would be provided for such a stocktake. This never occurred.

At a meeting on February 8th, 2022, with MOW WA, MMA and MOWA Executive Officer, MOWV aired our concerns about the stocktake (and getting local government and others to participate) and that the project benefits such as CRM and financial systems etc were not relevant to Victorian providers. We also suggested that given the recent announcement of the Support at Home Program and the fact we were hearing this would lead to a local government exodus, that there was an opportunity to calibrate the project to better address more crucial issues particular to Victoria. MMA thanked us for our feedback and suggested that because the landscapes in Vic and WA were so different, we needed to meet regularly to work out a strategy for rolling out the stocktake in each State (this did not occur).

On March 15th, 2022, a further meeting with MOWV MOW WA, MMA and MOWA Executive Officer was held. At this meeting MMA stated that they realised Victorian services were “not part of the active network”. The reasons for this were expanded on and can be seen in points below.

- **DATA from Victoria not accurate**

The blame kept being pushed on to MOWA, but MOWV indicated that we thought this was not accurate. In October 2021 Nelson had a phone meeting with Lakshman from MMA and discussed Victorian data. He sent our latest data on 20th October 2021 in the form of an excel document. This data was the MOWV excel data sheet, that at the time showed we had 65 members with various ‘pending’ (we had just sent out more reminder notices). However, MMA repeatedly said, “we were told 55” (quite when they were told this and by who they didn’t say).

- **Claim that MMA were misled about MOWV power over Victorian services.**

MOWV did not agree with this claim.

In 2020 when Lakshman and Loire I from MMA interviewed Nelson and Alison (WA) (both separately) these issues were discussed. In a Melbourne workshop in May 2021 these structural issues were discussed.

- **Argument that Victorian services providing meals could not be classified as MOW services because:**

- Licence agreements that have never been formalised (we had never formalised agreements and never claimed to have)
- Confusion about definition of a member, with the suggestion that a Victorian service that pays their membership to MOW Victoria is not a valid member of the MOW network and is not the same as a QLD service that pays their membership to MOW QLD (only reasons cited were, level of “engagement” between QLD and its services, and DOHAC “perceptions”).

- MOWV were informed that other States were real MOW services because they operated according to certain standards. They provided no evidence to back up this premise. MOWV has the only documented guidelines outlining the MOW Model and that his document was the closest any State had to standards.

Suggestion that services who choose not to abide by MMA requirements won't be funded.

It was implied to MOWV by MMA the Department would not look favourably upon services that did not partake in the Future Fit stocktake. MOWV were rather perplexed by this, and at no stage did we say that we would not assist with encouraging services to partake in a stocktake, we just pointed out the reality of the situation that the State was about to experience an exodus of local governments from the sector and that the latter was a huge issue for the sector.

Lack of understanding of meals pricing to clients

There was, and still is, a focus from the consultants on reducing the cost of meals. This is despite funding Meals on Wheels Newcastle and Queensland \$13 per unit while the majority of Victorian services are funded at \$8.25. This demonstrates a lack of understanding about meals' costings. As the wider MOW network have attempted to explain on numerous occasions, producing the cheapest possible meal is not a cost saving to providers because meals ingredients and/or prices are paid for by the client as their contribution to their own care. As was also explained, no government funding goes into ingredients therefore if clients want more expensive meals, that choice should be offered to them. This choice is a requirement of Standard 1 of the Aged Care Quality and Safety Standards and is also in the core standard of the Aged Care Standards.

MOWV is alarmed to hear that MMA have claimed that the proposed 'Meals Corridor' will use government funding to keep the meals on this platform at a uniform price i.e., subsidising the cost to clients of meals purchases. This runs completely contrary to decades of government policy as described on p46 of the CHSP Programme Manual 2023-24:

Because social security payments provide for the cost of living of recipients it is expected that the cost of the ingredients of the meal will be covered by the client (through their personal income, pension etc.).

Lack of understanding of the sector

There was a lack of understanding of the differences in service delivery, grant agreement holders and governance structures between the states. MMA blamed MOWA for this lack of understanding, but the service provision landscape had been made clear to MMA.

Viable and stable network

Until the introduction of the Future Fit project the most severe risk to the meals provider network across Australia was inadequate and inconsistent funding. Data from the Huber project confirmed this.

When the government proposed a fee-for service model (activity-based funding), CHSP peak bodies, providers and aged care advocacy groups recognised that community-based providers with high infrastructure costs and volunteer-based service delivery would face trading insolvent under this model. The Future Fit project was not aimed at this viability risk and the potential for this funding model to destabilise the network. Discussions with the government to address this threat were instead undertaken by the Support at Home Alliance, which has had interactions with the Department about funding models for the new aged care programs. To date the Department has rejected the funding model put forward by the Support at Home Alliance. I have attached the Support at Home Alliance submission to the *In-Home Aged Care Discussion Paper*.

Central to the Support at Home Alliance is a funding model which is consistent across health and aged care systems, characterised by an activity-based payment based on classification of individual needs alongside a base care tariff to support capacity. Payments to service providers would be structured as an annual price and volume contract. However, older people could choose an individual payment option, which we anticipate would be taken up by around 15% of consumers. As with residential care, a new fit-for-purpose assessment tool will need to be developed in tandem to support the new funding model. The Support at Home Alliance believes such a funding model will maximise equity, efficiency, quality and choice.

The current stability of the network

The national meals network is now less stable than prior to the commencement of Future Fit. MOWA has been sidelined as the National representative body. Victoria was excluded on the basis that the state body was not part of the “active network” Similarly with WA. The “active network” has never been defined. South Australia chose not to participate. MOW Tasmania has so far not committed to Future Fit due to current organizational limitations.

At the beginning of 2022 the MOW Network were informed that only NSW and Queensland were in the ‘active network’ because these were the only ones that had an active network. This is a complete misreading of the delivered meals programs across Australia. The shrinking of the scope of Future Fit has been further accelerated by the consultant’s new focus on the 60 best performing services in the “active” network. The definition of best performing was not clarified but it appears to be the services that had the highest outputs. This is another misunderstanding of the landscape. Larger services may have more outputs but some of the best performing providers (those who have exceeded outputs for many years) are often smaller, stand-alone, and rural services. This focus is unlikely to produce any valuable data for the government to make policy decisions.

It must be questioned that reducing the number of providers to whom support would be offered, along with increased funding to the Future Fit project, genuinely represents value for money for the government.

Business efficiencies

Efficiency is the use of fewer resources to achieve the same output or the same resources to produce more output. The business efficiencies to be developed were to be based on information from the stock take. What those efficiencies were was never clearly enunciated.

Technology and data – technology modernization

Despite the results of the Stocktake showing that a CRM was not required by any services, and limited enthusiasm or agreement on the usefulness of a national meals marketplace, MMA have continued to spend government funding on projects that have been judged by the network to be ineffective or unhelpful.

CRM

When the results of the Stocktake survey were released, virtually no services wanted a new CRM. When MMA expressed surprise at this result, many in the network commented that, due to their size, some services do not feel the costs of a CRM were justified.

Moreover, most services who require a CRM already have one, with well established relationships with the vendors. Services did not feel that ending these relationships with trusted and longstanding businesses to be good risk management given the proposed system had yet to be built and came with no costings or any information about the continuation of the Future Fit CRM after the end of the project in November 2024.

Questions

Will this software offer be available to services in other states or just those in the ‘active network’? Have these other meals providers been included in consultations with those undertaking the building process? Have these interstate providers been offered the Future Fit data protection package?

Meals Marketplace

MOWV would like to understand the reasoning behind this proposal. The existing network is already functioning as a meals marketplace. There is little value in having a national meals marketplace. Not all meals will be available to clients simply because transport to some areas is difficult or meals are provided from local kitchens, hospitals, local food businesses etc. Expecting community-embedded services to join a meals marketplace will disadvantage existing arrangements with local businesses that discount or donate produce and time to their local MOW provider.

MOWV has canvassed members as to whether this transactional and market-based model that the Department appears to be promoting is what members want and the resounding response has been overwhelmingly not. The members wish to retain the community relational model that has served MoW so well for 70 years. That has led to the small group of services working with the consultant seeking to change the broader memberships expressed views using Future Fit, as a way of achieving those changes. The Department up until very recently wanted the right to bring a similar system to that which has proved so disastrous in the NDIS.

The Department have for many years and as a result of an ideological perspective, confused choice with voice. That has led them to the simplistic notion that giving the most vulnerable of our citizens a bundle of money and requiring them to engage in complex and difficult negotiations with commercial operators to get the services they need, is a viable solution. The failure of the NDIS that has such a system has been revealed on an almost daily basis in the NDIS Royal Commission.

Promoting poor nutrition and 'drop and run' delivery.

MOWV have been contacted by concerned family members/carers of clients of Meals on Wheels Whitehorse which has recently transitioned from being run by the local council to being run by Meals on Wheels Newcastle. One carer indicated their parent is now getting Meals on Wheels directly delivered from Lite N' Easy with no contact with volunteers -which was a huge benefit to her parent in terms of the welfare check and social connection component of Meals on Wheels. MOWV have always been told that Future Fit would ensure that clients still received a welfare check and social connection. The Minister's press release announcing Future Fit in Whitehorse stated, *"Each Meals on Wheels volunteer takes the time to have a conversation with the older person, which can help reduce their social isolation, so they stay at home for longer."*

This type of drop and run service does not align with the MOW model of nutrition with monitoring and social connection. Member services continue to report their concerns about Lite 'n' easy meals not providing ample nutrition for older Australians.

MOWV

MOWV identified a serious risk to the stability of the provision of Meals on Wheels in Victoria. This issue had been raised at MOWA board meetings and recently received media coverage. Business continuity planning and network stability were the purview of the Legal, Finance and Risk Subcommittee of Future Fit but this committee was disbanded without consultation with the network.

Two Local Governments in Victoria were considering relinquishing their CHSP funding and not seeking Support at Home program funding. Despite an obvious need to maintain the network, Future Fit provided no management support to develop a business continuity plan to assist MOW Victoria to plan for, and enact, a transition to other providers and address the inevitable workforce issues that would result from staff redundancies.

MOW Victoria received no support from Future Fit to maintain network stability. Instead, a risk-heavy trial of parachuting MOW Queensland and MOW Newcastle into two LGAs in Victoria was undertaken without prior advice or participation by the state body. The way the project has engaged MOW Queensland and MOW Newcastle to now run services in Victoria has caused a massive disparity within the state—with MOW QLD and Newcastle receiving \$13 per unit to provide meals, and the rest of Victorian services receiving just \$8.25. It has been put to us that the additional funding is for "set up" costs, however that wouldn't normally be included in a unit price, it would be block funded. I also don't imagine there are significant set up costs in arranging Lite N' easy and similar services to deliver meals.

As above, it would appear that the transition of Meals on Wheels Whitehorse to the Future Fit Program has been problematic as per the example above about a client receiving Lite N Easy and no welfare check or social connection. Another carer contacted us about trying to organise meals for her parent and was told that MOW Whitehorse was unable to assist as they are in transition with Lite N Easy so are not taking on new clients.

The Department said that the time to offer the grant funding to other CHSP service providers in Victoria in a tender was too long to accommodate the intentions of the Councils to cease operation. So rather than looking at the possibility of shortening the time scale for such tendering the Department decided to offer the contracts to MOW Newcastle and MPW Queensland, who were amongst the limited number of services that were active participants in Future Fit.

If this fails, it will reflect badly on the public's perception of the Meals on Wheels brand across Australia. This piecemeal and inadequate response to the impending decisions of a number of other Victorian Councils to withdraw from service provision, due to the vastly inadequate funding system still being proposed by the Department may mean that the only alternative is to have all of those Victorian communities serviced by out of state services. This is unlikely to be a sustainable strategy because of negative community reactions to a wholesale interstate takeover of Victorian community services.

Conclusion

It seems that MMA are not working with the Network to support the MOW model of service delivery, which consists of nutritious meals, regular welfare checks, social connection and local community cohesion. This is despite a clear indication from the Department that the existing model of locally based community-driven services is supported and preferred. Rather than stabilising and modernizing the network, MMA are creating more work for an already overworked sector, and causing confusion, disharmony and angst.

MMA have been working in a way that, intended or not, has created division within our network which has not been helpful to our cause in achieving the best outcomes for vulnerable elderly Australians. They appear to want to find a way to overcome independent decision-making by local services to organise a system where all services provide the same meals in the same packaging and at the same price, and some are looking to bring in Lite N' Easy and other for-profit providers to provide the meal whilst Meals on Wheels simply supply the volunteers. Volunteers cannot work in a for profit business. Working in a for-profit business in an unpaid role is slavery not *'time willingly given for the common good and without financial gain'* as defined by Volunteering Australia

It is MOWV belief that the Future Fit program needs major recalibration in consultation with all state peak bodies as the roll out to date has been less than transparent or equitable. We call on this Committee to recommend that the Future Fit Program be immediately suspended until a thorough review is undertaken. The actions of Departmental officers involved in the roll out of this project should form part of any review. Further MOWV believe this program should be referred by this Committee to Australian National Audit Office.

It appears from many of the issues described in this submission, that the DOHAC and MMA ultimate goal is to commercialise the Meals on Wheels model that has served the Australian public so well for over 70 years. Meals on Wheels. It would be an absolute travesty to the Australian public if Meals on Wheels ceases to exist as part of the social fabric of our communities.

The concerns raised in this submission are shared by many across the national network. Others and I from within the network would welcome an opportunity to present to the Committee in private. The request for a private hearing is that many in the network have a fear of retribution by the Department and MMA due to previous threats that have been made.

Yours Sincerely

Alina Tooley
State Manager
Meals on Wheels Victoria