



Caring for Older Australians
Productivity Commission
GPO Box 1428
Canberra City ACT
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Australian Meals on Wheels

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Dear Sir / Madam,

The Australian Meals on Wheels Association (AMOWA) makes the following comments in response to the Productivity Commission Issues Paper on Caring for Older Australians.

1. The Australian Meals on Wheels Association (AMOWA) represents State and Territory Meals on Wheels' organisations that embrace 750 local services; 80,000 volunteers; 50,000 clients daily and hundreds of paid staff. Our clients are mainly house-bound, frail and older people and their carers who cannot cook or shop for themselves and require delivered meals and personal contact to live at home.
2. A key point we wish to make to the Productivity Commission in terms of planning for care to older Australians is that a strategic shift in funding to prevention and early intervention and support will both delay and reduce absolute costs for both residential and acute care.
3. The attachment to this letter shows the different levels of Government funding support for a day in the public hospital system; a day in residential aged care; a day on Meals on Wheels. A day in the public hospital system costs \$1,117; a day in residential aged care costs \$100; Meals on Wheels receives less than \$2 per day.

The message we advocate is simple – an increase in funding at the Meals on Wheels local community 'beginning' part of the health and wellness continuum can save a lot of public money at the residential aged care and hospital 'end'. "A gram of prevention is worth a kilogram of cure."

Most of our clients are on fixed incomes and pensions. As our costs go up, through fuel and ingredients as well as regulatory compliance, our meal price to clients must rise. If our meal price to clients rise to a level where clients cut their spending and reduce the number of meals they need to sustain their nutrition requirements, their health will be compromised and the likelihood of requiring higher and more expensive hospital care is inevitable.

In a given year Meals on Wheels around the nation delivers over 13 million meals to clients. The total support for this service from Federal and State Government is between \$1.50 and \$2.00 per meal depending on the State or Region. Even if Government provided just \$1- per meal per day more to help sustain Services into the future, the total cost to Government would only be \$13 million per year. It is a small amount to help maintain the Meals on Wheels 'miracle' which makes such a direct and significant difference at a local level.

4. Across Australia, Meals on Wheels relies very heavily on volunteers and could not carry out its function at current service levels without volunteers. In planning service delivery it is vital that

the volunteer workforce be considered as it is a key provider of services particularly in the community sector and HACC programs. The management, development and nurturing of the volunteer workforce is vital to the long term sustainability of community services and the provision of local support to clients.

5. AMOWA also recognises the key role of paid staff in working with and supporting volunteers in their work.
6. The purpose of Meals on Wheels is to provide nutritious meals and personal contact to clients to help them live at home in their community. The 'well being' check on clients at the time of delivery also provides an early warning system which enables Meals on Wheels to alert family or other agencies where additional support services may be required.
7. This purpose is aligned with and supports Government policy to enable older people to live at home as long as possible.
8. Federal and State Governments through the Home and Community Care program (HACC) provide some 20%-30% of funding for Meals on Wheels' Services depending on the State or Territory which equates to about \$30 million nationally. The balance comes mainly from meal sales to clients with additional income from investments and donations. Each State and Territory Government administers the HACC program in its own way. HACC Service Agreements also prescribe service standards, outputs, data collection, continuous improvement and other related requirements in order to secure funding.
9. The economic value of Meals on Wheels to the nation is over \$350 million each year - that is what it would cost government to staff an operation that provided similar levels of service. This includes an estimated 8 million voluntary hours per annum provided by volunteers.

This does not take into account the economic benefits that preventative care also affords – reduced hospital and aged care admissions and the like.

It is also important to note that the value of direct voluntary hours is a crude measure of economic performance. Meals on Wheels in South Australia for example has 10,000 volunteers, 5,000 clients and 30 paid staff. If the organisation were a government agency or independent division of a business, the organisational infrastructure involved in running a service delivery operation equivalent to even 500 full time employees would incur significantly greater costs than is provided through current levels of funding.

10. By any economic measure, Meals on Wheels is both effective and efficient. Thus, Government receives an enormous return: 1,000% ROI on the funding it makes to Meals on Wheels. To continue to receive this kind of economic benefit, Government will need to invest more resources in maintaining the health of the volunteer part of the community care sector.
11. Further, additional resources will enable Meals on Wheels to better provide increased service and product offerings to meet the needs of clients in regard to cultural diversity, special nutrition needs, increased choice and greater flexibility for the workforce to respond to changing client needs.
12. Government should consider the impact of any proposed legislative and regulatory changes on the volunteer sector to ensure the cost benefit analysis takes into account the volunteer element of service provision and the real cost involved in training, monitoring or employing paid staff to ensure compliance can be achieved.
13. A paradox of the sector is that its local volunteer strength which may have some perceived inefficiency attached to it may well be more effective and less expensive than any alternative. Further, the risk of not having the volunteer activity in a form that is compliant with Government expectations may pose a greater societal risk than having in a way that is acceptable to the

broader community. In that regard legislative progress should be cautious and closely involve the sector so it can build capacity at every step before being propelled to the next level of managerial or bureaucratic aspiration.

14. In terms of Government policy, **one size does not fit all** and whilst Government itself can operate single systems, non profits fill the multiplicity of gaps that enable citizens to engage more fully in their community in a diversity of ways and this is a key point that needs to be at the forefront of policy development that directly involves the volunteer sector.

It is important to note also that the notion of competitive tendering that is sometimes mooted for a service like Meals on Wheels negates the very volunteer and local community care of citizens that underpin the service if such tendering is aiming to achieve 'like with like' i.e. an integrated meal production / delivery / follow up service on a daily basis.

Information about Meals on Wheels

15. Meals on Wheels is part of the not for profit Sector and also part of the Community Care and Primary Health Care Sector (including nutrition) as well as part of the Formal Volunteer Sector. That is, it overlaps several sectors but does not fit neatly or exclusively into just one.
16. Meals on Wheels has a clear purpose and is part of the broader community and volunteer sectors in which it works. Meals on Wheels believes in transparency of process and transaction so that all stakeholders are clear about our purpose, our values, our governance, our work and our finances.
17. Meals on Wheels is more than just an arm of Community Care. Meals on Wheels is also about a community that cares. At Meals on Wheels it is as much about what we do - delivered meals, personal client contact and follow up, as it is about the way we do it - as part of our local communities: providing the glue and connections that make them strong.
18. Meals on Wheels is part of the formal Community Care sector which is part of a continuum of care through the hospital, health, ageing, community and disability sectors.
19. Further and most importantly, increased funding in Meals on Wheels Services is aligned with government policy of enabling people to live at home in their community longer; it is an investment in preventative health care; it supports and helps build strong and connected local communities and it is orders of magnitude less costly to government than the next levels of care in the Aged and Health Sectors

.Yours sincerely,

Leon Holmes
President Australian Meals on Wheels Association



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