



The Productivity Commission
GPO Box 1428
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Attention: Mike Woods, Deputy Chairman
Robert Fitzgerald AM, Commissioner
Sue Macri AM, Associate Commissioner

**Productivity Commission 2011, *Caring for Older Australians*
Draft Inquiry Report, Canberra**

From: Australian Meals on Wheels Association (AMOWA)

Purpose of this submission:

The Australian Meals on Wheels Association is the voice of Meals on Wheels, representing the interests of member associations at a national level. Our Members are the peak State and Territory organisations for Meals on Wheels in New South Wales, Queensland, Tasmania, South Australia, Western Australia, Victoria and the ACT.

This submission from the Australian Meals on Wheels Association (AMOWA) does not attempt to be comprehensive and address all of the ideas and recommendations in the Draft Report.

Rather, it seeks to provide background information on Meals on Wheels to illustrate its value as a service model which often "makes the difference" for an older person and allows them to remain living independently at home in the community. The integral involvement of volunteers not only makes Meals on Wheels a very cost effective service model but also contributes to the development and maintenance of social capital in local communities.

Specific attention is paid to Draft Recommendations 8.1, 8.2, and 8.4.

Executive Summary:

The contribution of Meals on Wheels to building social capital in our communities cannot be over-estimated. Meals on Wheels services provide a very cost effective front-line support service for older people which often can "make the difference" in enabling them to continue to live independently at home.

However, major challenges are now emerging. On the one hand, the traditional service model will continue to need to be made more flexible with increased expectations of clients (particularly as the Baby Boomers age). On the other hand, we know that patterns of volunteering are changing and are likely to continue to do so.

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A critical issue is to retain and build our volunteer base into the future within the context of new organisational structures and service delivery models.

Maintaining our volunteer base into the longer term will involve:

- Better understanding of the motivations and requirements of volunteers into the future
- Development of new ways of volunteering (eg corporate volunteering, time-limited or project-based volunteering, exchange programs for building and bartering volunteer "credits" etc)
- Provision of more comprehensive and sophisticated training and human resources management for volunteers in an increasingly "regulated" service delivery environment.

We strongly support the continuation of block funding for Meals on Wheels services to safeguard social capital and value-add benefits of the voluntary service model, maximise economies of scale, and ensure planning and operating certainty for voluntary Boards of management. We believe that Meals on Wheels' services should be accessible to older people without the need to go through the Gateway, and that clients should pay an equitable price for meals across the nation.

Some background information:

Meals on Wheels has had a place in the hearts and homes of Australians for more than 50 years. In South Melbourne in 1952, a lady on a tricycle delivered the meals. When it became too much for her, the Red Cross took over. Since those early beginnings, Meals on Wheels has grown to become a household name and an iconic brand to this generation of Australians. It is set to become an even more important service in the future as the population ages and people live longer and wish to maintain their independence.

Every day a friendly smile, a chat about the weather, a nutritious meal and knowing someone will drop by to say hello, changes the lives of many Australians. In the course of a year, over 14.8 million meals are delivered by more than 78,700 volunteers from 740 outlets or branches to about 53,000 recipients Australia wide in cities, regional and rural areas. It is estimated that volunteering contributes the annual equivalent of \$200 million funding nationally.

The food provided by Meals on Wheels is nutritionally balanced, tasty and caters to specific dietary needs, cultural preferences and personal tastes. Menus are designed to be healthy and varied, and special dietary requirements are met. As everybody leads different lives, there is flexibility in delivery options. Some prefer a hot meal delivered in the middle of the day, others like frozen or chilled food that can be heated at a time to suit.

Although delivery of prepared meals is the basis of the service, Meals on Wheels is so much more. Meals on Wheels also provides the opportunity for people to be taken to local centres to share a meal with others or go on outings, with the assistance of volunteers. Some outlets provide other food services such as assistance with shopping, food preparation or improving clients' cooking skills.

Key Messages we want to convey:

1. **Meals on Wheels is more than just a meal.** Whilst age and disability may reduce some people's capacity to get out and about, Meals on Wheels helps make it possible for them to stay in their homes, where most are happiest, and maintain their independence. As well as nutritional support, Meals on Wheels volunteers provide important social contact and are able to monitor a client's wellbeing, health and safety. Delivery of nutritious meals, social interaction and a friendly check of a client's wellbeing by Meals on Wheels volunteers can help people live the lives they choose.

2. **Often, a Meals on Wheels service is the first service that an older person may need and receive.** This means that the Meals on Wheels service is the first contact that an older person (or their family) has with the aged care system.
3. **For many older people, a Meals on Wheels service may be the only service support they need for quite a while.** Receiving a meal and having the social contact that comes from the volunteer delivering the meal is often what “makes the difference” in allowing an older person to remain living independently at home and avoid more expensive service delivery in the community or indeed residential care. While HACC has been unable to furnish clear data in this area, a survey from one significant municipality in Victoria indicated that almost 20% of Meals on Wheels clients in that area did not receive any other HACC or community care service. By the time a client starts to receive other HACC services, that client may already have a long-established relationship with the Meals on Wheels service, volunteers and co-ordinator.
4. **Meals on Wheels services help build social capital.** Meals on Wheels services rely very significantly on volunteer effort, and are organised at a local level where community ownership and identification with the service is high. In smaller communities (eg rural communities) in particular, the local Meals on Wheels service is a vital and integral part of that local community. Volunteering builds and maintains social capital.
5. **Volunteering in itself is good for health.** The average age of volunteers in Meals on Wheels services is estimated to be in the early 70’s. Ninety-five percent are aged over 50. Many of our existing volunteers have been volunteering for many, many years, often for over 25 or even 30 years. While patterns of volunteering are changing and present challenges for Meals on Wheels services (see below), the significant demographic changes in the next 20 years will see the numerically large Baby Boomer generation moving into retirement. There is significant evidence that volunteering has mental and physical health benefits for the volunteers themselves, keeping them active. We shouldn’t underestimate the benefit of this in reducing future health costs.
6. **Meals on Wheels services contribute to regional employment.** Services based in regional, rural and remote locations contribute directly to local employment by employing cooks and/or other kitchen staff, or indirectly when purchasing services from third party suppliers (predominantly country hospitals).
7. **Meals on Wheels services recover a significant part of the meal cost through user contributions.** Every effort is made to keep meals as affordable as possible, particularly as many of our clients are pensioners. The meals are provided at production cost, are generally composed of a soup, a main course and a sweet and in many instances a juice, and range in price from \$4.50 to \$9.00. The generosity of our volunteers, who give their time to help cook in the kitchens, drive the cars, and deliver the meals, means we are able to provide a vital service at an economical price. On average, clients cover around 80% of the cost of meals, making Meals on Wheels services a very cost effective service for government, at an average subsidy of less than \$500 per client per annum.
8. **We need to meet the challenge of maintaining our volunteer base into the longer term.** As mentioned above, the average age of volunteers in Meals on Wheels services is estimated to be in the early 70’s. Ninety-five percent are aged over 50. Patterns of volunteering are changing for a variety of reasons. Workforce participation demands mean that Meals on Wheels services no longer have as much access to female volunteers who were traditionally housewives. Many of our existing volunteers started volunteering as housewives 25 or even 30 years or more ago and have maintained that commitment over a very long period of time.

Motivations and capacity for volunteering also seem to be changing. The experience of the Sydney Olympics in 2000 indicates that many people are willing and interested in volunteering, but perhaps more for special events or on a more “episodic” basis than on a consistent and regular basis over a long period.

At the same time, new opportunities for attracting volunteers are opening up, such as in the area of corporate volunteering where large companies encourage and support employees to volunteer for worthwhile organisations, services and causes as part of the company’s commitment to being a good “corporate citizen”. Schoolchildren can be introduced to volunteering through the education system and often carry their involvement forward over a life-time.

Given the points made above about the critical importance of a volunteering culture to building social capital in local communities, the health benefits to older volunteers themselves through volunteering (and reduced health costs to the community) as well as the obvious economic benefits of having volunteers contributing to service provision where appropriate, **AMOWA strongly supports the Productivity Commission’s Draft Recommendation 11.5.**

While clients need to be protected, and we need to guarantee quality service delivery, we also need to find ways of doing this without imposing such high levels of regulation to create disincentives to volunteering.

AMOWA suggests that more research is needed into volunteering to understand why people volunteer, what motivates them, and what supports are needed to maximise the community’s ability to attract and retain volunteers.

1. **The Meals on Wheels Peaks play an important role in supporting local services**

Given the comments at Point 7 above, the various Meals on Wheels Peak organisations at national and state levels play a crucial role in supporting local services and service delivery by providing “back office” support in:

- Volunteer training and support
- Regulation and compliance
- Human resources
- Financial administration, insurances, procurement etc
- Leadership and innovation
- Food Safety
- Management and Governance

What this support does is enable local services and volunteers to concentrate on what they can do best – which is to “make the difference” for clients, by meeting their nutritional needs, providing social support and monitoring their health so that other services and supports can be brought in when they are required.

Specific comments on Draft Recommendations:

DRAFT RECOMMENDATION 8.1

"The Australian Government should establish an Australian Seniors Gateway Agency to provide information, assessment, care coordination and carer referral services..."

The Commission's Australian Seniors Gateway Agency is reminiscent of earlier Australian Government attempts to streamline access to information and services via Carelink Centres and Access Point Demonstration Projects. The value of these single entry points is yet to be clearly demonstrated, and in the experience of Meals on Wheels services these current and previous iterations have:

- caused unnecessary additional layers of administration and bureaucracy, and additional processes for consumers to endure, prior to receiving necessary services;
- created undesirable delays between the consumer realising a need for extra support, and services starting. Since the January 2011 introduction of specified assessment pathways in Western Australia, consumers are now waiting more than 3 weeks for an assessment for 'basic support' services, when previously the service would have commenced within one working day;
- failed to release assessment resources from Meals on Wheels providers, as these providers do not receive specific funding for assessment 'outputs' but cannot absolve their responsibility to undertake an assessment of the specific nutritional and service requirements of consumers, and hazard assessment for volunteers, once referred;
- not delivered on promised 'silver bullet' assessment procedures and protocols, such as the ACCNA-R and CENA-R.

AMOWA considers it essential for consumers to be able to continue to directly access assistance from Meals on Wheels services because this will:

- prevent unnecessary bottle necks occurring at the Gateway, particularly for people with basic support needs who may be disadvantaged by prioritisation protocols;
- ensure that more costly, professionalised assessment resources are directed to those most in need;
- enable meal deliveries to commence rapidly, for instance to support earlier hospital discharge or prevent hospitalisation.

Such a model would support and work in partnership with the proposed Gateway. For instance, where a consumer makes first contact with a Meals on Wheels service, the service could assist the consumer and the government by submitting data to the Gateway for electronic confirmation of eligibility prior to service commencement, and referring consumers with more complex care needs back to the Gateway for more comprehensive assessment (including transfer of data collected), when required. Consumers needing meal services only would be under the indicative \$100/week threshold for an assessment of their co-contribution capacity.

The Commission has requested comments on the approach to assessment and access to services proposed by Applied Aged Care Solutions Pty Ltd (AACs). AMOWA notes that the AACs notion of "Lead Agency" for Level 1 assessment for the "low resource" pathway is not specifically discussed in the body of the Commission's Draft Report. As previously stated, Meals on Wheels is frequently the first agency involved in supporting an older person at home. In these instances in the proposed model, Meals on Wheels may be considered to be the Lead Agency. AMOWA is concerned about the practicalities of undertaking this role within a predominantly voluntary and de-professionalised organisational structure, and would prefer that Gateway, Lead Agency functions, and service provisions remain separate. Further modelling and discussion is required should this proposed approach be adopted.

DRAFT RECOMMENDATION 8.2

"The Australian Government should replace the current system of discrete care packages with a single integrated, and flexible, system of care provision. This would deliver care services currently provided under Home and Community Care, Commonwealth funded care packages and the care component of residential aged care services.

The Australian Government should approve a range of care services to individuals on an entitlement basis, based on assessed need. Individuals should be given an option to choose an approved provider or providers.

The Australian Government would set the scheduled price of each service..."

AMOWA is concerned that the implementation of this recommendation may undo many of the successful and positive elements of the current Home and Community Care (HACC) system. In particular, we note that HACC services are well integrated in many jurisdictions, with multiple services being offered by single large providers (particularly local government). We recommend a 'hasten slowly' approach to the transition of HACC into the broader Commonwealth Aged Care system, to avoid throwing the proverbial baby out with the bath water.

We have a number of questions about the process for determining a scheduled efficient price for Meals on Wheels services. In particular, current variation in meal prices is determined primarily by variation in supply costs. In regional and remote areas, Meals on Wheels services are subject to the vagaries of third party suppliers who cook the meals. That is, the services are price takers in circumstances where it is not economically viable to establish a volunteer-staffed kitchen.

AMOWA proposes an alternative pricing model for this service, in which the amount paid by the client for an equivalent service ought to be consistent nationally, with a sliding scale for the government subsidy. This may be feasible if meal services remain block funded in future (see below).

DRAFT RECOMMENDATION 8.4

"The Australian, state and territory governments should only continue to directly block fund programs where there is a demonstrated need to do so based on a detailed consideration of scale economies, generic service need and community involvement."

AMOWA acknowledges the consideration the Commission has given to sensible funding models for "community-oriented basic support services" (pp.261-2). **We strongly support the continuation of block funding as the preferred basis for funding Meals on Wheels services**, on the basis that:

- Meals on Wheels services are successful because of community ownership and volunteerism. Introduction of competitive, market based systems will disenfranchise the volunteers, destroying the service and the social capital that it contributes to the community.
- Economies of scale and a relatively generic service offer enables Meals on Wheels to produce an efficient result for government at a very low cost (approximately \$500 p.a. per client). It is unlikely that self-directed funding will produce a more efficient result.
- Many communities lack a viable market for home delivered meal services, with a relatively high cost of entry and scarcity of third party suppliers to cook meals. Current private operators lack the value added benefits of Meals on Wheels, such as delivering food hot and ready to eat, and spending time with and monitoring the welfare of recipients. Similarly, direct government provision has been demonstrated to be more costly than current Meals on Wheels provision.

- Meals on Wheels services are not for profit and operate on very small margins. Self-directed funding will result in a lack of planning and operational certainty for voluntary Boards. One likely outcome would be the casualisation of the paid workforce.

A continuation of block funding on the basis of these factors would also support AMOWA's view that the service ought to be accessible to older people without the need to go through the Gateway, and that clients should pay an equitable price for meals across the nation.

Yours faithfully

Leon Holmes
President

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