OFFICIAL

BUDGET ESTIMATES NOVEMBER 2024

COMMONWEALTH HOME SUPPORT PROGRAMME

MEALS ON WHEELS AND FUTURE FIT

OVERARCHING NARRATIVE 2
KEY POINTS 3
Update since May estimates 3
Viability concerns raised by MoW 4
Key deliverables of Future Fit 4
IP ownership/possession 6
Subcontractors 6
Continuing meals reforms 7
BACKGROUND 7
Pilot sites - Whitehorse and Ballarat 7
Relinquishment process 8
Alleged fraudulent activity 9
Attachment A 10
KEY FACTS AND FIGURES OF THE CONTRACTS 10
Attachment B – Additional background 11
Contract term 11
Objective of the short-term contract 11
Short-term contract 2024 - Deliverables 12
NMoW and Whitehorse 12
Complaints from clients about Whitehorse 13
Service decline at Whitehorse 13
Behaviour and conduct of MMA 14
Legal matters 14
Freedom of Information requests 15
Future Fit website 15
Future Fit Collective 16
Lite N' Easy 16
Attachment C 17
Future Fit participants - 33 Meals On Wheels providers (82 sites 17

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

BUDGET ESTIMATES NOVEMBER 2024

OVERVIEW

- In 2021, the department established a project aiming to preserve the social support to older people in Australia offered by Meals on Wheels (MoW) through mitigating risks related to the viability of Meals on Wheels (MoW) under the new in-home aged care program.

- MoW has many individual organisations, all offering social support when delivering meals to vulnerable people. However, they operate independently with their own operating model, including meals, production and delivery, prices and technology. MoW also relies heavily on a volunteer workforce.

- This can result in inconsistencies, limitations of meal choice and inefficiencies within individual MoW organisations.

- Under Support at Home, MoW organisations will need to operate in a highly contestable market.

- The Future Fit project was designed to:
    - Understand the differing service methods across the MoW network, including the supply, storage, delivery and preparation of meals.
    - Understand the cost associated with the time volunteers/staff spent engaging with clients.
    - Inform a new funding model that recognises the social value of the MoW model and address the current competitive disadvantage when compared to 'drop and go' models.
    - Support efficiencies within MoW organisations through technology
    - Increased variety of meal options and consumer choice by forming relationships with a range of meal suppliers, including MoW distribution centres.
- This project provided the department with a comprehensive analysis of the baseline operating models across various MoW organisations.

- As the project progressed, we identified a misalignment of interests and goals within the network that caused tension with some stakeholders.

- For example, goals for a case mix/AN-ACC type funding model for meals delivery vs a more straightforward fee for service arrangement.

- It also came to light that there were several conflicts between key stakeholders and contractors, further complicating the management process.

- The department acknowledges the challenges faced in the management of the Future Fit project, recognising that it is not an example of best practice.

- In April 2024 the department instigated a risk snapshot by an external provider in relation to the state of the procurement approach and contract management of the Future Fit project. The snapshot found issues with our procurement and contract management that we are working to address in future arrangements eg risk mgmt and other documentation not completed.

- In addition, the Auditor-General is auditing the Future Fit Program and is expected to table a report in April 2025.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- Moving forward, the department is committed to supporting meals reform as we prepare for the implementation of Support at Home.

- The department is continuing to work with MoWA and state organisations in relation to this. For example, we are looking at making DEX reporting changes for meals providers so we can get a better picture of how meals are delivered ont eh ground to inform our understanding of the additional costs born by social engagement with clients and therefore our priving model going forward. The DEX changes are informed by the FF project stocktakes.

- In September 2024, the department received a proposal from MoWA in relation to future funding models and is considering its response.

KEY POINTS

Update since June estimates

- Between 23 December 2021 and 31 May 2024, the department contracted Miles Morgan Australia (MMA) to the value of $7.94 million (GST exclusive) / $8.74 million (GST inclusive) to deliver the Future Fit program and to transition pilot site activities at Whitehorse Meals on Wheels (MoW) to Newcastle MoW **(Attachment A refers)**

- On 12 April 2024, the Australian Tax Office (ATO) sent the department a garnishee notice outlining that a percentage of the final payment to MMA had to be paid directly to the ATO

- On 17 September 2024 MMA entered into liquidation. The department is requesting outstanding information from administrators. (This will further assist with understanding IP ownership).

    - The department is working with the administrators on some outstanding matters in relation to intellectual property. In line with the terms and conditions of the MMA contract, the department remains of the view that the Commonwealth owns the intellectual property in the contract material created under them.

- On 27 March 2024, Senator Penny Allman-Payne and former Senator Janet Rice wrote to the Auditor General requesting they undertake an audit of the contract between MMA and the department for the delivery of the Future Fit project.

- On 5 July 2024, the Acting Auditor General sent follow up correspondence to Senator Penny Allman-Payne confirming the ANAO is conducting a performance audit on the administration of the Future Fit Program. The audit has commenced will examine:

    - Has the department established sound governance arrangements to support the delivery of the Future Fit Program?
    - Has the department conducted procurements for the Future Fit Program effectively?
    - Has the department managed the Future Fit Program contracts effectively?

- The ANAO has announced that it plans to table its report in April 2025.

- The department is working with the ANAO and welcomes its recommendations on how we can improve processes.

ATO garnishee notice

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Was MMA meant to report their ATO debt to the department? How did the department respond to the ATO garnishee notice?

- The contract contained general Commonwealth contract notification requirements. The contract did not specifically require MMA to report ATO debts to the department.
- The department complied with the instructions set out in the garnishee notice. Any specific details about the notice will need to be taken on notice to allow the department to seek the views of the liquidators.
- If pushed:
  - The existence of a tax debt is a matter for the ATO. Any questions will need to be directed to the ATO.
  - We would only have more information once we've seen the creditors report which has not been issued yet.

Viability concerns raised by MoW

- Meals on Wheels providers are keen to support as many people as they can. In doing so, there have been instances where the number of clients they take on is greater than their contracted and therefore financial capacity.
- Despite requests to engage directly with the department and the Grants Hub to facilitate constructive discussions, MoWA and some frontline organisations, have been actively engaging with media outlets over concerns related to MoW organisations closing their books to new clients.
- While individual providers may face viability challenges at times, the department does not have evidence of widespread viability issues currently being faced by the MoW network.
- Under the CHSP, it is expected that clients pay for the cost of the *ingredients* of their meals through their personal income, pension etc.
- MoWA does not support a fee for service model, due to competitive risks from large scale ready to eat meal providers and a loss of community infrastructure set around volunteers and client wellbeing.
- MoWA Chair Mr Paul Sadler met with Minister Wells' office on 10 October 2024 to discuss support for MoW ahead of SAH, including support for volunteer recruitment.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Key deliverables of Future Fit

- The project provided the department with a comprehensive understanding of meals services - informed by extensive stakeholder engagement, investigation, and research of the MoW model.
- The department considers at the time of entering the contracts that vfm was achievable. We are evaluating the outputs and outcomes of the contract at present.
- The following deliverables are provided below:

Deliverable	Details
Four financial and operational stocktakes	○ Supported the development of MoW organisation profiles based on similar traits (cooking kitchen vs non-cooking kitchen, frozen vs fresh).

BUDGET ESTIMATES NOVEMBER 2024

Deliverable	Details
which provided a series of data insights to inform:	○ Provided an analysis on demand projections. ○ Provided insights into time spent with clients. ○ Informed by approximately 200 survey responses.
A food and nutrition stocktake.	○ This stocktake was informed by survey responses from approximately 200 MoW organisations and will assist with a consistent definition of a meal. ○ Provided a better understanding of the operational procedures followed by MoW organisations. ○ Informed two discussion papers that were also developed in consultation with Future Fit participants and nutritionists to determine definition of a meal. ○ Provided an understanding on course categories used by MoW organisations (small meal, mini main, soup, drink, dessert etc.). ○ Provided recommendations for optimised nutritional values (protein and weight) for each meal.
A blueprint for a digital operating model, where organisations have a standardised operating model that is supported by modern technology to:	The model looked to: ○ create efficiencies through better reporting, integration with My Aged Care, food suppliers and financial software. ○ be the architecture for the development of the secure cloud-based platform (Enterprise Resource Planning software), which provides an easy-to-use web based interface, with real time operational visibility.
The technological build (Enterprise Resource Planning software)	○ The development of the software required significant stakeholder consultation, user testing and investigation of integration options with Aged Care Gateway.
All project documentation	○ This included project plans, project management framework, risk registers
Development of a standardised chart of accounts and accounting methodology	○ A standardised profit and loss statement template.
A strengthened network of MoW providers	○ The network continues to work together to share industry strengths, operational efficiencies and valuable resources.
A six-month pilot at Whitehorse MoW which trialled an alternative service-level model. The pilot focused on improving client choice while maintaining the social	The pilot included: ○ The development of three price points to be affordable for different socio-economic communities. ○ Improved meal choice to cater for Culturally and Linguistically Diverse communities.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Deliverable	Details
connection with clients. This included:	○ Increased client choice by allowing clients to choose from a range of meals, the frequency at which they receive these meals (up to five days per week) and varying price options.

IP ownership/possession

- The department is aware of conflicting claims regarding the ownership of the software and is still investigating and seeking to resolve these conflicting claims, whilst now also noting MMA going into administration.
- The software is a cloud-based system that the department never intended to host or maintain itself.
- The department currently doesn't hold or have access to the software. The department's intention has always been for the software to be provided directly to a suitable MoW entity which would take over the ownership and responsibility for the software, including hosting and maintaining it.
- The department does have rights under its contract to obtain a copy of the software or be granted access to it.
- The department is not in a position to progress to transfer ownership or roll out any of the software until the conflicting claims about IP ownership and licensing have been resolved.
- Based on the available information, the department has rights to own or use the IP in the software created under, or for, the Future Fit and Transition contracts.
- These rights permit the department to obtain a physical copy or to be granted permanent access.
- On completion of the Transition contract, the department's IP rights to own or use the software would be transferred to that suitable Meals on Wheels organisation to enable them to have ongoing use of that software.
- The department has not gifted the software.

Subcontractors

- Payment of subcontractors for the Future Fit program has been raised by other parties. The department can confirm there are no unpaid contractors under any of the requested contracts.
- The subcontractors under the Deed of Standing Offer and Official Order under that Deed were:
  - Agile Digital Engineering Pty Ltd; (Software developer)
  - CINCH Finance Pty Ltd (trading as CINCH Transform).
  - Complexability Pty
  - Cowell Clarke Pty Ltd;
  - H/ADVISORS APA Pty Ltd

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- ICRM Pty Ltd (trading as Polixen)
- Katalyst Interactive Pty Ltd;
- Kathryn Ruth Thiele (trading as Klarity)
- Meals on Wheels Australia Ltd (MoWA)
- Meals on Wheels NSW Ltd
- Newcastle Meals on Wheels Ltd
- Queensland Meals on Wheels Ltd
- SEC Newgate Pty Ltd; (Support strategic stakeholder management).

- MoW NSW have indicated they were not privy to a subcontract with MMA. The department is investigating these claims.

- The sub-contractors under the Consultancy Contract were:
  - CINCH Transform; (Financial experts)
  - GoSource
  - Cowell Clarke Commercial Lawyers; (Legal subject matter expert)

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

CONTINUING MEALS REFORMS

- Pending Government decision, the department aims to continuing working with the meals sector, including MoW Australia and non-MoW meals service providers, to finalise the underlying policy parameters for meals services. This is likely to include further testing a new definition of a meal and quantifying the social capital elements of service delivery.

- The department regularly meets with MoWA and MoW state associations to discuss meal reforms and the impacts for MoW providers. The group has met 2 times since inception in December 2023, 3 times in total.

BACKGROUND

Additional background provided at **Attachment B.**

Pilot sites - Whitehorse and Ballarat

- Meals on Wheels providers in Victoria have traditionally been Local Councils.
- In the 2024-25 FY to date (October 2024), three Councils have confirmed their relinquishment of CHSP Meals services. Of these, one relinquishment has been completed and accepted by providers, with two incoming providers taking on the Meals funding. The other two Meals relinquishments are in process.
- In the 2023-24 FY eight Victorian Councils who were funded to deliver meals have relinquished services with 13 providers selected as replacement providers.
- In the 2022-23 FY, nine Councils and three non-council providers relinquished meals services in Victoria, with 18 providers selected as incoming replacements. This included Newcastle MoW and MoW Queensland (QLD) as incoming providers for the Whitehorse and Ballarat sites, respectively.

- With a significant number of Victorian meals providers already supporting other sites who relinquished their funding in 2023-24, NMoW and QLD MoW were selected as the incoming providers at the Whitehorse and Ballarat sites, respectively.
- This decision was also based on their experience in running multi/regional outlet services under the MoW model.
- Whitehorse and Ballarat's contracted higher unit price reflects:
- Unit prices associated with operational and capital costs related to the transition from a high-cost Council led service, which often cross subsidise CHSP services.
- The higher unit price better reflects the true cost of the services in advance of future pricing considerations.
- While the department did not consult the state peak association, the department does not engage peaks in commercial negotiations with contract holders. As per usual processes, the department only engages existing CHSP providers to take over service delivery where another provider withdraws.

Relinquishment process

- There have been concerns raised about the selection processes when a provider relinquishes.
- The department follows a process in order to select suitable incoming providers who demonstrate the relevant experience and capability to limit disruptions to service delivery.
- In collaboration with the Community Grants Hub (CGH), the department considers information provided by the CGH and in the provider's Transition Out Plan as the basis for selecting a pool of possible alternative providers to be reviewed against the distinct requirements of the specific relinquishment.
- Selections take into account the following considerations:
    - Existing delivery profile – predominant service type, delivery models / service sub types, number of clients, use of buildings, cultural backgrounds of clients and staff.
    - Existing delivery area(s)
    - Any existing sub-contracting relationships with other CHSP funded providers.
    - Any current relationships with other CHSP providers in the same area(s).
    - The primary criteria when looking at alternative providers are as follows:
    - Providers delivering against all CHSP Funding Agreement requirements, including performance and delivery, reporting, fraud, compliance and quality standards.
    - Providers capacity to undertake the administrative requirements of client transfers.
    - Providers that deliver similar:
    - Service Types.
    - Sub-Service Types (e.g., Allied Health - Physiotherapy vs Allied Health - Podiatry; Meals).
    - Service models.
    - In similar locations.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Alleged fraudulent activity

- The department is aware of concerns related to the Future Fit contract and alleged fraudulent activity. These concerns have been referred to the relevant area in the department. The department does not comment on matters which may or may not be under its investigation.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

BUDGET ESTIMATES NOVEMBER 2024

ATTACHMENT A

KEY FACTS AND FIGURES OF THE CONTRACTS

	Amount (GST Excl.)	Amount (GST Inc.)
23 December 2021 Official Order/Contract in relation to strategic business transformation advice and services Under Deed of Standing Offer	$4.99 million	$5.49 million
○ **29 September 2022** Contract Variation - Official Order/Contract in relation to strategic business transformation advice and services	$1.42 million	$1.56 million
Total of original and variation:	**$6.41 million**	**$7.05 million**
19 January 2024 Contract: Transitioning the Whitehorse Meals on Wheels operations to Newcastle Meals on Wheels	$1.53 million	$1.69 million
Total amount on MMA contracts:	**$7.94 million**	**$8.74 million**

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

BUDGET ESTIMATES NOVEMBER 2024

ATTACHMENT B – ADDITIONAL BACKGROUND

Background relating to Future Fit, Future Fit Collective, IP, Legal issues and the Short-Term Contract – 'Transitioning The Whitehorse Mow Operations To Newcastle MoW'

Contract term

- The Future Fit contract with MMA expired on 31 December 2023. A short-term contract was entered into with MMA on 19 January 2024 to transition the Future Fit operations of Whitehorse to Newcastle MoW (NMoW) by 10 March 2024.

- There was an inconsistency with the title of the contract and the AusTender description. The department undertook an administrative update to the description on Austender to align to the contract title, Transitioning the Whitehorse MoW operations to NMoW.

- The transition out was completed by 10 March; however, further time was needed for the department to fully review the deliverables. The contract allowed time for unanticipated delays, as a result the contract would continue until 31 May 2024.

- Evidence provided to the Committee in February in relation to the end date of the contract was corrected on 26 March 2024.

- The department received a draft of the final Future Fit report on 8 March 2024.

- Between April and May 2024, the department worked with MMA to ensure the report was at an acceptable standard. This included:
    - ensuring the report provided some practical steps on how to implement a Future Fit service model (i.e. increased client choice – varying price levels and more meal options).
    - ensuring the language was objective.
    - more information about client surveys
    - lessons learnt.
- The department accepted the final report on 31 May 2024 and finalised the final payment. 15% percent of the funds were sent directly to the ATO as per the garnishee request from the ATO.

- Contracts are not acquitted, this is grant language. Rather a contract is paid following acceptance of the goods and services to the standard required by the contract.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Objective of the short-term contract

- In January, MMA notified the department they were no longer able to provide intensive operational support at Whitehorse MoW.

- Purpose of this contract was to windup Future Fit activities including funding for IT systems maintenance and the transfer of the Future Fit operating model being tested in Whitehorse to NMoW.

- The short term contract was established to limit any service disruptions to clients.

- MMA did fulfill the objectives of the contract to an appropriate standard as required by the contract.

- If pushed:

- the standard for the provision of services is specified in clause 3 of the contract which is published online through the OPD. This includes providing the services with due care and skill, and ensuring the services are fit for purpose.

Short-term contract 2024 - Deliverables

What did you pay for under the $1.6million contract? Did this include the transfer of IP?

- The department is working through options to obtain all IP created under the contracts.
- A high level breakdown of the key deliverables for the short-term contract included the following:

Deliverable	Details
Project documentation	Project plans, risk register and regular reporting.
Development of a standardised chart of accounts and accounting methodology	profit and loss statements
Standard operating procedures	Development of approximately 80 standard operating procedures
Final report	A final report to the department outlining the approach for implementing the Future Fit business model and how this could be implemented at other Meals on Wheels sites. The report includes information on: ○ The future fit model. ○ lessons and findings from implementations. ○ guidance for incoming providers. This report when read in conjunction with a suite of complementing procedures and support documentation could assist other meals service with adopting the Future Fit model. This report has been provided to MoWA and we are discussing strategy on broader dissemination with the MOW network.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF SOCIAL SERVICES DISABILITY AND AGEING

NMoW and Whitehorse

NMoW request for emergency funding.

- NMoW has sought additional funding for:
  - re-engage and conduct welfare checks on lost client base.
  - conduct a thorough audit for July 2023 to February 2024.
  - address legal issues that have arisen after MMA's exit from Whitehorse.
  - document legacy and current operational systems and processes.
  - develop a robust plan to ensure the sustained success of the Whitehorse operation, including the use of an ERP.
- This request arose due to:
  - lack of complete documentation/records for the daily tasks.

- Such as historical run sheets for daily meal deliveries.
- destruction of data and paper-based information.
- Paper-based information and historical run sheets for daily meal deliveries.
- It's our understanding the data provided to NMoW contained all the relevant information.
- Costs incurred to divert resources from Newcastle to Whitehorse.
- Legal concerns.

- The department is not aware of any legal matters between NMoW and MMA.

- When NMoW was selected as the incoming provider at Whitehorse, the department negotiated a higher unit price and overall funding, to account for oncosts and to better reflect the true cost of the services, which were previously being cross subsidised by the council.

- In addition, we are aware that NMoW is currently underspent on their grant funding at the Whitehorse site. We've encouraged them to seek advice from their contract manager.

- The department is working with NMoW in increasing the client base at the Whitehorse site. Since January 2024, there is an increasing trend in service provision at Whitehorse with over 6,400 meals reported being delivered in September 2024.

Complaints from clients about Whitehorse

- NMoW is a highly experienced service provider and operates multiple outlet services under the MoW model.

- The department is aware of the previous concerns raised by clients and the Whitehorse Council in relation to contact with Whitehorse and ability to receive services. The department is not aware of any recent complaints raised about service provision at the site

- We are continuing to monitor and work with NMoW to focus their efforts on continuing to growth the client base.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Service decline at Whitehorse

Issues with decline in client numbers - There has been a 60% decline in client numbers, what is the reason for this decline? Are there concerns clients aren't receiving meals?

- There has been an apparent drop in client numbers and it appears there are many contributing factors, such as:

  - The client data obtained by NMoW, in June 2023, from the previous provider appears to have had significant gaps - it was difficult for NMoW to ascertain the true number of CHSP clients who needed to be transitioned from the previous provider.
  - The previous provider was providing a premium service which was not viable for the MoW model, this may have resulted in clients seeking services from alternative providers. For example, Council staff would deliver meals if client's made last minute changes to their orders.
  - Since January 2024 the provider has significant increase their service provision.

- If pushed:

- The previous provider was only delivering 54% of the funded outputs which equated to approximately 336 clients per month.
- In April 2024, there was 166 clients who accessed services from Whitehorse MoW, as at end September 2024, there are 435 clients that Whitehorse are delivering services too.

Behaviour and conduct of MMA

Is the department aware of any negative feedback towards MMA?

What did the department do when they became aware of sector concerns?

Concerns have been raised that MMA have breached the privacy and confidentiality clauses in their contract, what are the alleged breaches and what is the department doing about this?

- A number of Meals on Wheels services and MoWA have strongly advocated in support of the Future Fit objective. Positive feedback for Future Fit includes recognition of:
  - the commitment shown by the department for the necessary reforms to meals services.
  - the opportunity to strength and improve the viability and sustainability of MoW organisations.
  - a strengthened network of MoW providers who can now support and learn from each other.
  - the pilot's focus on improving client choice while maintaining the social connection with clients.
- However, the department received negative feedback in relation to:
  - the operations at the Whitehorse MoW pilot site.
  - lack of transparency on the progress of Future Fit.
  - value for money of the MMA contracts.
  - conduct of MMA.
- When the department became aware of this feedback, departmental officers attended three town hall events in order to communicate directly with MoW providers in NSW and QLD about the objectives of Future Fit and to listen to their concerns.
- The department became aware of broad claims about privacy and confidentiality breaches, and with MMA now in administration we are currently seeking further specific details to investigate these allegations.

Is the department aware of MMA using private investigators?

- The department is not aware of Future Fit funding being used on private investigators.
- The department has received information from MMA regarding a range of matters. The department is not able to confirm the origin of all the information it has received from MMA, including whether it was from a private investigator.
- The department has received privacy complaints regarding information that MMA supplied.

Is the department aware of the response MMA provided to the Saturday Paper?

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- The Department did not engage with MMA in relation to this media request nor did the department review or approve the correspondence by MMA with The Saturday Paper.

Legal matters

Is the department aware of any legal matters being pursued by MMA?

Are there any other legal issues?

- The department is not aware of any legal proceedings underway by MMA.

- The department is not a party to these matters and it is not appropriate for the department make any assumptions.

How much of the Future Fit funding was allocated to lawyers?
Can the department confirm that lawyers were acting in the best interest of the public?

- Under the contract MMA was responsible for entering into subcontracting arrangements to support the delivery of services. Among other things, MMA was required to ensure that any subcontracting arrangements were consistent with the contract and facilitated MMA's compliance with its obligations.

- The department was aware Cowell Clarke represented MMA while it was an approved subcontractor under the contract between MMA and the department. Under the contract, MMA was to notify the department of any conflicts of interest that arose or appeared likely to arise in respect of their subcontractors.

- MMA didnot notify the department of any conflicts in respect of Cowell Clarke.As standard in Commonwealth procurement contracts, the department does not receive detailed information about the terms of a contract, including payments, between the contractor and any subcontractor.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Freedom of Information requests

Why did MMA ask the department to be more 'circumspect' when responding to FOI requests?

- The department has received a number of FOI requests in relation to Future Fit.

- Third parties have the right to be consulted on documents containing their personal or business information. The department has followed due process in relation to this consultation on the FOIs it has received.

Future Fit website

Access to Future Fit material

The Future Fit website is password protected.

- The Future Fit website was decommissioned with the finalisation of the project.

- The department is committed to being open and transparent in relation to the Future Fit project and is currently considering the best approach for publishing Future Fit project artefacts such as discussion papers and reports.

- Other websites that are password protected are not a result of any contractual arrangements between the department and MMA and not the responsibility of the Commonwealth.

Future Fit Collective

How many MoW services are involved in the Future Fit Collective?

What is the Future Fit Collective?

Are they using the Future Fit technology? How did they receive it?

Are you concerned MoW organisations are now being actively pursued by lawyers for breaches of copyright?

- The department does not have any contractual relationship with the Future Fit Collective, which is separate to the Future Fit program. We do not have information on how many MoW services are involved other than what is in the public domain.

- In addition, the department is not aware of Future Fit Collective's ownership structure.

- The Future Fit Collective established a website or an open-source community where subscribers can contribute to building software. Open source means the software is freely available. The Future Fit Collective aims to foster the development of open-source software.

- The department was not involved in the establishment of the Future Fit Collective and has limited visibility of the work they have carried out to date, including the website.

- The department has not gifted the IP to any organisation including to Future Fit Collective.

- The department is aware that some Meals on Wheels services have been approached by a legal representative of an organisation which is claiming rights to software being used by the Future Fit Collective. The department is looking into this matter as part of the broader examination into the issues around the Future Fit software. Given the legal issues involved it would not be appropriate to provide the information at this time.

- Recently MMA informed the department they have sold the Future Fit program IP to the Future Fit Collective for $1. Amongst the work to determine overall IP ownership claims, the department is investigating this claim and the legality of it.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Lite N' Easy

- Concerns have been raised about Lite N' Easy (LNE) not meeting the MoW National Meals guidelines.
- Whitehorse was using LNE's My Choices range which was developed by LNE's team of dieticians and chefs, in line with the Australian Dietary Guidelines and in consultation with the Meals on Wheels National Meal Guidelines.
- One caveat is that Whitehorse did have a very small number of Lite N' Easy vegetarian meals that are understood to likely not meet the National Meals Guidelines (based on appropriate portion sizes).
- The My Choices range was specifically designed to meet the nutritional needs of older people.

OFFICIAL

BUDGET ESTIMATES MAY 2024

ATTACHMENT C

Future Fit participants - 33 Meals On Wheels providers (82 sites)

Service Provider Name	CHSP Meal Funding (2022/23)	CHSP Contracted Meals	CHSP Delivered Meals	CHSP Meal Clients	Volunteers (2020-21)	FTE (2020-21)	Delivered States	Number of outlets/ sites
Ipswich Meals on Wheels	$403,506.51	s47E(d), s47G						
Narrandera Meals on Wheels	$122,252.39							
Caloundra Meals on Wheels	$773,701.69							
Bundaberg Meals on Wheels	$439,324.99							
Camden Meals on Wheels	$295,167.40							
Rockhampton Meals on Wheels	$286,446.52							
Charlestown Meals on Wheels	$250,726.83							
Wollongong Meals on Wheels	$217,769.75							
Collinsville Meals on Wheels	$22,879.57							
Blue Mountains Meals on Wheels	$738,585.44							
Babinda Meals on Wheels	$27,679.05							
Blacktown Meals on Wheels	$701,826.63							
Crows Nest Meals on Wheels	$22,906.01							
Inverell Meals on Wheels	$253,634.91							

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

BUDGET ESTIMATES MAY 2024

Roma Meals on Wheels	$23,919.92	s47E(d), s47G [redacted]
Dubbo Meals on Wheels	$690,053.96	
Rochedale Meals on Wheels	$65,619.75	
Central Coast Meals on Wheels	$1,600,506.68	
Brisbane South Meals on Wheels	$1,663,879.35	
Sutherland Food Services	$440,854.06	
Fraser Meals on Wheels	$626,484.12	
Tamworth Meals on Wheels	$614,838.79	
Sandgate & District Meals on Wheels Inc	$441,525.00	
Village Chef by Meals on Wheels	$1,789,499.14	
Nepean Meals on Wheels	$647,152.94	
Fairfield Meals on Wheels	$648,042.43	
Bathurst Meals on Wheels	$415,595.30	
Open Arms Care Meals on Wheels	$327,990.64	
Meals on Wheels Tasmania	$1,272,491.02	
Ballarat Meals on Wheels	$301,842.45	
Longreach Meals on Wheels		

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

BUDGET ESTIMATES MAY 2024

Newcastle Meals on Wheels	$1,810,955.74	s47E(d), s47G [redacted]
Whitehorse Meals on Wheels		
TOTAL	**$17,937,658.98**	

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL BUDGET ESTIMATES FEBRUARY 2025

COMMONWEALTH HOME SUPPORT PROGRAMME

MEALS ON WHEELS AND FUTURE FIT

Overarching line

1. There are conflicting views as to some of the facts about what transpired under the Future Fit program. These matters are subject to active consideration by the ANAO and the department. It would not be appropriate for the department to comment on these matters until the current investigations have concluded.

Departmental staff

The article brings to light serious concerns about potential conflicts of interest between departmental officials, Newcastle MOW (NMOW) and the CEO of Miles Morgan Australia's (MMA). Were these conflicts declared and were any gifts declared on the departments gifts and benefits register?

2. The department treats its obligations in the management of public resources very seriously and is fully participating in the ANAO's audit of the Future Fit program. We will respond to any recommendations that arise from the audit and it is not appropriate to provide comment in the interim.

Is the Department "actively hostile" towards Meals on Wheels Australia?

3. In a recent statement to members, the Chair of MoWA noted that "this is no longer a fair description or position, given that the Department has publicly acknowledged the value of social capital created by CHSP services and is positively engaging with MOWA".
4. The Department is committed to working constructively with all stakeholders including Meals on Wheels Australia.
5. The department values the MoW model which offers social supports delivered mainly by volunteers. It meets with Meals on Wheels Australia (MOWA) and the MOW state associations quarterly to discuss CHSP and broader aged care reforms.

Was the Department seeking to achieve "privatisation by stealth" of Meals on Wheels Australia?

6. No. The Future Fit project aimed to co-design, test and implement meals reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.
7. The Department had leant in to the reform of the MoW model ahead of Support at Home through the Future Fit project however this work has not gone as planned and has ceased. The department is fully participating in the ANAO audit of the Future Fit Program.

IP Ownership

8. The department currently doesn't hold or have access to the Enterprise Resource Planning (ERP) or Future Fit software. The department's intention has always been for

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

the software to be provided directly to a suitable entity which would take over the ownership and responsibility of the software, including hosting and ongoing maintenance.

9. Under the contract the Department had with MMA, the Commonwealth owns the intellectual property in the contract material.

If pressed:

10. IP ownership is the subject of an ongoing dispute and it would not be appropriate to comment further at this time.

If pressed:

- The Department has been approached by a third-party regarding IP issues.
- The department is considering the issues raised.

Miles Morgan Australia Pty Ltd (MMA)

11. On 17 September 2024 MMA entered into liquidation.
12. The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
13. In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.

    If pushed:

    - The department is aware of the creditors report and is considering how it intends to address the issues raised in the report and cannot comment any further at this time.
    - MMA did not notify the department of any solvency issues.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Meals Marketplace

14. The department understands the Meals Marketplace was part of the future design of the Future Fit software and was intended to enable clients to manage their meal plans with their local MOW service via an online portal. The purpose was to assist with consumer choice and improving consumer experience.
15. If pushed on Meals Marketplace Pty Ltd:
    - The department was unaware of the related Meals Marketplace entity at the time and has not had any dealings with it. Any questions in relation to the entity should be directed to the liquidators of MMA.
    - The department is aware that MMA is the ultimate holding company of Meals Marketplace Pty Ltd.

These could be seen a conflict of interest, did MMA declare any conflicts to the department?

16. No, MMA didn't declare any conflicts of interest as required under its contracts between 2021 and 2024.

Payments made under the contract

17. As standard in Commonwealth procurement contracts, the department purchased a service and did not receive detailed information about how MMA used the payments it received, including any details about payments made under MMA's subcontracting arrangements.

18. **A contract is different from a grant/funding agreement where the department would have more visibility over how funds were used and where a financial acquittal is required. MMA may have used fees to pay for legal services, but the department has no specific financial information about how the fees were spent.**

2024 Transition contract

19. The 2024 contract aimed to limit the service disruptions and ensure clients were not impacted by MMA withdrawing its support at the Whitehorse Meals on Wheels site.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Key deliverables of the 2024 contract

Deliverable	Details
Project documentation	Project plans, risk register and regular reporting.
Development of a standardised chart of accounts and accounting methodology	A standardised profit and loss statement
Standard operating procedures	Development of approximately 80 standard operating procedures
Final report	A final report to the department outlining the approach for implementing the Future Fit business model and how this could be implemented at other Meals on Wheels sites. The report includes information on: ○ The future fit model. ○ lessons and findings from implementations. ○ guidance for incoming providers. This report when read in conjunction with a suite of complementing procedures and support documentation could assist other meals service with adopting the Future Fit model.

Publication of the final report

20. The final report has been provided to Newcastle MOW and the Chair of MOWA. It has also been released in full through an FOI, however based on feedback from Newcastle

and MOWA, the department does not believe the report, as it is currently written, will benefit the broader network.

21. The department intends on working with MOWA on how the report, the 80 standard operating procedures and the profit and loss template could be adapted to be more suitable for the MOW network.

Victorian Pilots – Whitehorse and Ballarat

Purpose of the Victorian Pilots

22. Overall, the Victorian pilots aimed to introduce the MOW model at two sites that were previously operated under the Ballarat and Whitehorse local councils.
23. QMOW, who operate the Ballarat branch, opted to make minimal changes as the incoming provider. Their primary objective was to implement the MOW model, similar to what they deliver at their QLD branches.
24. Conversely, NMOW agreed to undertake a pilot utilising the untested Future Fit software (Enterprise Resource Planning, ERP) at Whitehorse MOW. This was supported by a supplementary workforce contracted by MMA, which trialled an alternative service-level model that focused on improving client choice while maintaining regular social connection with clients. This included:
    - The development of three price points to be affordable for different socio-economic communities.
    - Improved meal choice to cater for Culturally and Linguistically Diverse communities.
    - Increased client choice by allowing clients to choose from a range of meals and the frequency at which they receive these meals (up to five days per week).
    - Implementation of the Future Fit software (ERP) to assist with client ordering, financial management and reporting.

Funding requests and support provided to NMOW

25. NMOW's total contract value increased from $663,879 (GST exclusive) to $1.13 million (GST exclusive) as a result of taking over the Whitehorse City Council's CHSP contract for meal delivery.
26. On 25 February 2024, NMOW submitted a CHSP Ad Hoc funding proposal to assist them with responding to unforeseen and exceptional circumstances related to the Whitehorse transition.
27. On 10 April 2024, the department approved a one-off funding injection of $120,350 (GST exclusive) / $132,385 (GST inclusive) in 2023-24.
28. On 12 April 2024 NMOW requested emergency funding totalling $695,036 (GST exclusive) to:
    - re-engage and conduct welfare checks on lost client base.
    - conduct a thorough audit for July 2023 to February 2024.
    - address legal issues that have arisen after MMA's exit from Whitehorse.
    - document legacy and current operational systems and processes.
    - develop a robust plan to ensure the sustained success of the Whitehorse operation, including the use of an ERP.
29. This funding request was rejected based on the Whitehorse site projecting a significant underspend in 2023-24. The department encouraged NMOW to speak with their contract manager to determine how their underspends could be reprioritised to assist with conducting an audit, re-engaging clients and addressing any legal issues.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

MMA's involvement at the Whitehorse pilot site

30. NMOW agreed to undertake a pilot and test the Future Fit software (Enterprise Resource Planning, ERP) at Whitehorse MOW. The department became aware in August 2023 that MMA had a role at the Whitehorse site. At this time, the department understood they were not involved in the business-as-usual activities e.g., organising daily meal runs, food and safety, and volunteer management. The extent of this was later confirmed, in December 2023, by the NMOW board.

Reduction in client numbers at Whitehorse

31. In 2022-23, the previous provider was only delivering on average **54%** of the funded services per month which equated to on average 336 clients per month accessing services.

32. In 2023-24, Newcastle were delivering on average **38%** of the funded services per month which equated to on average 191 clients per month accessing services.

33. Since January 2024, there has been an increase in clients receiving services at the Whitehorse site with over 302 clients accessing the service in January 2025 and an average over 4,400 meals being delivered per month.

34. The drop in clients between 2022-23 and 2023-24 may be due to a combination of many contributing factors, such as:
    - The client data obtained by NMOW, in June 2023, from the previous provider appeared to have had significant gaps - it was difficult for NMOW to ascertain the true number of CHSP clients who needed to be transitioned from the previous provider.
    - The previous provider was providing a premium service which was not viable for the MOW model, this may have resulted in clients seeking services from alternative providers when NMOW commenced. For example, Council staff would deliver meals if clients made last minute changes to their orders.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

PURPOSE OF FUTURE FIT

35. In 2021, the department established an ambitious project aiming to mitigate risks related to the viability of MOW under the new in-home aged care program.
36. Under Support at Home, MOW organisations will need to operate in a highly contestable market.
37. MoW has many individual organisations, who operate independently with their own operating model, including meals, production and delivery, prices and technology. MOW also relies heavily on a volunteer workforce.
38. This can result in inconsistencies, limitations of meal choice and inefficiencies within individual MOW organisations.
39. The Future Fit project was designed to:
    - Inform a new funding model that recognises the social value of the MOW model and address the current competitive disadvantage when compared to drop and go models.
    - Drive efficiencies within MOW organisations through technology
    - Understand the differing service methods across the MOW network, including the supply, storage, delivery and preparation of meals.

- Understand the cost associated with the time volunteers/staff spent engaging with clients.
- Increased variety of meal options and consumer choice by forming relationships with a range of meal suppliers, including MOW distribution centres.

40. This project provided the department with a comprehensive analysis of the baseline operating models across various MOW organisations.
41. As the project progressed, we identified a misalignment of interests and goals within the network that caused tension with some stakeholders.
42. It also came to light that there were several conflicts between key stakeholders and contractors, further complicating the management process.
43. The department acknowledges the challenges faced in the management of the Future Fit project.
44. The Auditor-General is completing an audit of the Future Fit Program and is expected to table a final report in April 2025.
45. The department is working with the ANAO and will careful consider the ANAO's recommendations on how the department can improve processes.
46. Moving forward, the department is committed to supporting meals reform as we prepare for the implementation of Support at Home.
47. The department established a quarterly forum with MOWA and state associations to assist with transparency and collaboration in relation to meals reform.
48. On 3 December 2024, Minister Wells approved a 10% funding boost to more than 500 CHSP Meals providers. All Meals providers have received a 13.5% indexation amount in their 2024-25 CHSP agreements through a Notice of Change in January 2025. Over 3 years, this is an additional $37 million dollar investment into meals services.

Number of MOW providers involved in Future Fit

49. In 2023-24, there were 33 MOW providers (82 sites), across NSW, QLD and TAS, involved in Future Fit in the context of the proposed feasibility study.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Proposed Feasibility Study

50. On 5 December 2023 the department engaged with MOWA board to confirm the approach for the feasibility study. In December 2023 the MOWA board unanimously supported that such a study be enabled by MMA, with some caveats, such as improved governance and open communication.
51. In late 2023, the department received a quote from MMA for approximately $16 million over 2 years.

Purpose of the Feasibility Study

52. The purpose of the feasibility study was to design and test new policy settings for MOW providers. The study aimed to provide an evidence base for decisions on future funding models by co-designing and implementing a feasibility study with 33 MOW providers. This study was expected to deliver near real-time data to these providers and the department during 2024-25, providing the most robust evidence base ever constructed in this area.
53. The study proposed to focus on several key areas:
    - Defining a meal and consistent reporting.
    - Quantifying the social capital of services.
    - Understanding the price of meals.

- Standardising nutritional requirements.

54. Additionally, the study aimed to address inefficiencies in service delivery due to a lack of a fixed workforce and manual processes. It also sought to leverage the inherent value of the MOW network and implement technological and process enhancements.
55. On 31 January 2024, MMA withdrew their submission to undertake the feasibility study.

September 2024 proposal from MOWA

MOWA's September 2024 proposal

56. On 20 September 2024, MOWA submitted a proposal to continue the objectives of the Future Fit program via funding a new feasibility study looking into the sustainability of quality, nutritionally consistent and affordable meal services that deliver essential social capital. MOWA indicated this study would cost $0.986 million (GST exclusive) across 2024-26.
57. At a meeting of the Meals on Wheels and Commonwealth Forum on 11 December 2024, the Department advised MOWA that the department was unable to support the provision of funding to MOWA to support this proposal, as it did not meet the requirements of the Commonwealth Procurement Rules (CPRs).

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

KEY FACTS AND FIGURES

Contract overview

	Amount (GST Excl.)	Amount (GST Inc.)
23 December 2021 Official Order/Contract in relation to strategic business transformation advice and services Under Deed of Standing Offer	$4.99 million	$5.49 million
29 September 2022 Contract Variation: Official Order/Contract in relation to strategic business transformation advice and services	$1.42 million	$1.56 million
Total of original and variation:	**$6.41 million**	**$7.05 million**
19 January 2024 Contract: Transitioning the Whitehorse Meals on Wheels operations to Newcastle Meals on Wheels	$1.53 million	$1.69 million
Total value of MMA contracts:	**$7.94 million**	**$8.74 million**

ADDITIONAL BUDGET ESTIMATES FEBRUARY 2025

Key deliverables

Deliverable	Details
Four financial and operational stocktakes which provided a series of data insights **(2021 contract)**	• Supported the development of MoW organisation profiles based on similar traits (cooking kitchen vs non-cooking kitchen, frozen vs fresh). • Provided an analysis on demand projections. • Provided insights into time spent with clients. • Informed by approximately 200 survey responses.
A food and nutrition stocktake **(2021 contract)**	• This stocktake was informed by survey responses from approximately 200 MoW organisations and will assist with a consistent definition of a meal. • Provided a better understanding of the operational procedures followed by MoW organisations. • Informed two discussion papers that were also developed in consultation with Future Fit participants and nutritionists to determine definition of a meal. • Provided an understanding on course categories used by MoW organisations (small meal, mini main, soup, drink, dessert etc.). • Provided recommendations for optimised nutritional values (protein and weight) for each meal.
A blueprint for a digital operating model, where organisations have a standardised operating model that is supported by modern technology **(2022 contract)**	• The model looked to: ○ create efficiencies through better reporting, integration with My Aged Care, food suppliers and financial software. • be the architecture for the development of the secure cloud-based platform (Enterprise Resource Planning software), which provides an easy-to-use web based interface, with real time operational visibility.
The technological build (Enterprise Resource Planning software) **(2022 contract)**	• The development of the software required significant stakeholder consultation, user testing and investigation of integration options with Aged Care Gateway.
All project documentation	• This included project plans, project management framework, risk registers
Development of a standardised chart of accounts and accounting methodology (**2024 contract)**	• A standardised profit and loss statement template.
A strengthened network of MoW providers	• The network continues to work together to share industry strengths, operational efficiencies and valuable resources.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH DISABILITY AND AGEING

Background

VICTORIAN PILOTS

- Meals on Wheels providers in Victoria have traditionally been Local Councils.

- In the 2022-23 FY, 9 Councils and 3 non-council providers relinquished meals services in Victoria, with 18 providers selected as incoming replacements. This included Newcastle MoW and MoW Queensland (QLD) as incoming providers for the Whitehorse and Ballarat sites, respectively.
- With a significant number of Victorian meals providers already supporting other sites who relinquished their funding in 2023-24, NMoW and QLD MoW were selected as the incoming providers at the Whitehorse and Ballarat sites, respectively.
- While selection timeframes vary, depending on a range of factors, the department does not have sufficient time to run open selection processes through a new grant opportunity. Such processes usually take more than 6 months to complete.
- This approach balanced both market diversity/depth and overarching policy objectives to deliver improved operational and funding arrangements for MOW providers.
- QLD MOW and Newcastle MOW were selected to take on the responsibility of running the Ballarat and Whitehorse pilot sites, respectively, based on their experience in running mutli/regional outlet services.
- The department did not test all existing CHSP providers delivering meals in Victoria.
- Whitehorse and Ballarat's contracted unit price ($13) reflects:

    - Unit prices associated with operational and capital costs related to the transition from a high-cost Council led service, which often cross subsidise CHSP services.

    - The higher unit price better reflects the true cost of the services in advance of future pricing considerations.
- When reviewing the transition of Whitehorse and Ballarat, a financial assessment noted the existing unit price of $8.25 did not reflect the true cost of service undertaken by the councils and therefore would not be viable under the MOW model if $8.25 was retained.
- In this case, the higher unit prices were associated with operational and capital costs related to the transition from a Council led service to the incoming providers. This included rental costs, staffing costs, service model requirements (e.g., in-house kitchen versus frozen meals), geographic location, and upgrades to assets in order to adhere to relevant rules and regulations.
- The department negotiated a unit price of $13.00, to better reflect the true cost of the services in advance of future pricing considerations, currently being investigated by the Independent Health and Aged Care Pricing Authority (IHACPA).

- While the department did not consult the state peak association, the department does not engage peaks in commercial negotiations with contract holders. As per usual processes, the department only engages existing CHSP providers to take over service delivery where another provider withdraws.

- The pilot included:
    - The development of three price points to be affordable for different socio-economic communities.
    - Improved meal choice to cater for Culturally and Linguistically Diverse communities.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- Increased client choice by allowing clients to choose from a range of meals, the frequency at which they receive these meals (up to five days per week) and varying price options.

CONTINUING MEALS REFORMS

- The department is currently prioritising critical work related to the CHSP 2025-27 extension, transitioning CHSP providers and clients under the new Aged Care Act by 1 July 2025, and other changes required to implement and support aged care reforms.

- Further considerations around changes to CHSP meals policies will be considered in the context of preparations for the longer-term transition of CHSP into the Support at Home program, which will not occur before 1 July 2027.

- Currently, the National Health and Medical Research Council (NHMRC) is developing dietary guidelines for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander peoples), which will form part of the review of the 2013 Australian Dietary Guidelines.

  - The revised dietary guidelines will include specific advice on the nutritional needs of older people and will be used by the public, health professionals and policy makers to inform the development of suitable meals and menus.
- In addition, the Independent Health and Aged Care Pricing Authority (IHACPA) is conducting a costing study to better understand the cost of a meal, including the social element of service delivery. IHACPA will provide government with advice on meal delivery prices (excluding the 'social element') as part of its draft advice in February 2025. Government will need to decide if this report is publicly released. The report may support future policy design for funding meal delivery in in-home aged care.
- On 3 December 2024, Minister Wells approved a 10% funding boost to more than 500 CHSP Meals providers, with a 13.5% indexation amount in their 2024-25 CHSP agreements. This results in an additional $37 million investment into meals services over three years.
- The department regularly meets with MOWA and MOW state associations to discuss meal reforms and the impacts for MOW providers. The group has met 4 times since inception in December 2023. The next meeting will be on 7 March 2025.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

FOI REQUESTS

- Between 15 August 2023 to 24 February 2025, the department has received:

  - 64 FOI requests on this matter

  - 10 internal review applications

  - 18 applications for Information Commissioner (IC) review

- There have also been 8 FOI requests made to the Minister for Aged Care and Sport and 4 to the Minister for Health and Aged Care

- As of 24 February 2025, 47 FOI requests, all internal review decisions and 7 IC review applications have been finalised

Senate Committee: Community Affairs Committee

Budget Estimates 2025-2026

Outcome: 3 - Ageing and Aged Care

Meals on Wheels

KEY POINTS

Future Fit Program – contracts

- Between 23 December 2021 and 31 May 2024, the Department of Health and Aged Care (the department) contracted Miles Morgan Australia Pty Ltd (MMA) to the value of $7.94 million (GST exclusive) ($8.74 million (GST inclusive)) to deliver the Future Fit program and transition pilot site activities at Whitehorse Meals on Wheels (MOW) to Newcastle MOW.

Miles Morgan Australia Pty Ltd (MMA)

- On 12 April 2024, the Australian Tax Office (ATO) sent the department a garnishee notice outlining that a percentage of the final payment to MMA had to be paid directly to the ATO.
- On 17 September 2024 MMA entered into liquidation.
- The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
- In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.
- The department is considering issues raised by a subcontractor of MMA.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Future Fit Program – overview and status

- The Future Fit project aimed to co-design, test and implement meals reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.
- The project faced challenges with the diverse approaches within the MOW network, requiring collaboration with MOW Australia and state associations, on the part of the department and MMA.
- The Commonwealth seeks to continue supporting all Commonwealth Home Support Programme (CHSP) meals providers by enhancing funding settings and maintaining essential social supports in the aged care system.
- On 8 February 2025, The Saturday Paper published an article, raising a number of issues regarding the Future Fit program including:
    1. The conduct of senior departmental officials
    2. MMA use of contract funds, and
    3. MMA trading while insolvent
- With respect to the matters outlined in the article:
    1. The department does not comment on matters related to departmental employees.

2. The department treats its obligations in the management of public resources very seriously and is fully participating in the ANAO's audit of the Future Fit program. We will respond to any recommendations that arise from the audit, and it is not appropriate to provide comment in the interim.
3. Allegations made about MMA trading while insolvent are a matter for the liquidators.

Victorian pilots

- In March 2023, the Minister for Aged Care announced a $2.2 million pilot program to provide more than 150,000 nutritious meals each year to older people in Whitehorse and Ballarat, Victoria, through the Meals on Wheels model.
- This announcement was following a decision by Whitehorse and Ballarat Councils to cease delivering CHSP Meals services (for which they utilised the MOW model) from 1 July 2023.
- In 2023-24, Queensland MOW received an additional $0.89 million to deliver services in Ballarat and Newcastle MOW received an additional $1.53 million to deliver services in Whitehorse, Victoria.
- The Whitehorse pilot site was initially supported by a supplementary workforce (contracted by MMA), business procedures, and technology provided under Future Fit.
- From 19 January to 31 May 2024, Future Fit and the pilot program wound down. All business operations in Whitehorse transitioned from MMA heavily supporting operations to full management by Newcastle MOW.
- During the transition, there have been challenges which have impacted operations at Whitehorse. The department worked with Newcastle MOW to limit impact to service delivery, this included a one-off Ad Hoc funding injection of $120,350 (GST exclusive) / $132,385 (GST inclusive) in 2023-24.

Australian National Audit Office (ANAO)

- Following a request from Senator Allman-Payne and former Senator Rice, the Auditor-General is auditing the Future Fit Program.
- As noted on the ANAO website the Audit Report is expected to be tabled in April 2025, and is examining:
  1. Has the department established sound governance arrangements to support the delivery of the Future Fit Program?
  2. Has the department conducted procurements for the Future Fit Program effectively?
  3. Has the department managed the Future Fit Program contracts effectively?
- Questions about the audit process and /or progress are a matter for the ANAO.
- The department is not able to reveal any further information about the audit.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.
- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May 2024.

If pressed:

- The department is aware of allegations that two documents that fell within the scope of the Order to Produce were not produced as required. The department is examining relevant material and is working to identify and correct any issue as quickly as possible.

Demand pressures faced by meals providers

- Demand for aged care services is increasing, in line with the ageing population. Requests for additional funding for aged care services is common.
- A $37 million boost for aged care meals services was announced by Minister Wells on 3 December 2024. This provided an ongoing 10% increase on existing funding amounts for all CHSP providers funded to deliver meals, resulting in a net increase of 13.5% in 2024-25.

Future of meals reforms

- The department chairs a regular Forum to discuss meal reforms, and the impacts for meals providers, with MOW Australia (MOWA) and MOW state associations. The group has met 5 times since December 2023. Our next meeting is scheduled for July 2025.
- The department is currently prioritising critical work related to the CHSP 2025-27 extension, transitioning CHSP providers and clients under the new Aged Care Act by 1 July 2025, and other changes required to implement and support aged care reforms. Further considerations around changes to CHSP meals policies will be considered in the context of preparations for the longer-term transition of CHSP into the Support at Home program, which will not occur before 1 July 2027.
- Currently, the National Health and Medical Research Council (NHMRC) is developing dietary guidelines for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander peoples), which will form part of the review of the 2013 Australian Dietary Guidelines. The revised dietary guidelines will include specific advice on the nutritional needs of older people and will be used by the public, health professionals and policy makers to inform the development of suitable meals and menus.
- In addition, the Independent Health and Aged Care Pricing Authority (IHACPA) is conducting a costing study to better understand the cost of a meal, including the social element of service delivery. IHACPA has provided government with advice on meal delivery prices (excluding the 'social element') as part of its draft advice in February 2025. The report may support future policy design for funding meal delivery in in-home aged care.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Senate Committee: Community Affairs Committee

Additional Estimates 2024-2025

Outcome: 3 - Ageing and Aged Care

Meals on Wheels

KEY POINTS

Future Fit Program – contracts

- Between 23 December 2021 and 31 May 2024, the department contracted Miles Morgan Australia Pty Ltd (MMA) to the value of $7.94 million (GST exclusive) / $8.74 million (GST inclusive) to deliver the Future Fit program and transition pilot site activities at Whitehorse Meals on Wheels (MOW) to Newcastle MOW.

Miles Morgan Australia Pty Ltd (MMA)

- On 12 April 2024, the Australian Tax Office (ATO) sent the department a garnishee notice outlining that a percentage of the final payment to MMA had to be paid directly to the ATO.
- On 17 September 2024 MMA entered into liquidation.
- The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
- In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.
- The department is considering issues raised by a subcontractor of MMA.

Future Fit Program – overview and status

- The Future Fit project aimed to co-design, test and implement meals reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.
- The project faced challenges with the diverse approaches within the MOW network, requiring collaboration with MOW Australia and state associations, on the part of the department and MMA.
- The Commonwealth seeks to continue supporting all Commonwealth Home Support Programme (CHSP) meals providers by enhancing funding settings, and maintaining essential social supports in the aged care system.
- On 8 February 2025, The Saturday Paper published an article, raising a number of issues regarding the Future Fit program including:
    1. The wellbeing and conduct of senior departmental officials.
    2. MMA using contract funds inappropriately.
    3. The consultant, MMA, trading while insolvent.
- With respect to the matters raised in the article:
    1. The department does not comment on matters related to departmental

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

employees.

2. The department treats its obligations in the management of public resources very seriously and is fully participating in the ANAO's audit of the Future Fit program. We will respond to any recommendations that arise from the audit and it is not appropriate to provide comment in the interim.
3. Allegations made about MMA trading while insolvent are a matter for the liquidators.

Victorian pilots

- In March 2023, the Minister for Aged Care announced a $2.2 million pilot program to provide more than 150,000 nutritious meals each year to older people in Whitehorse and Ballarat, Victoria, through the Meals on Wheels model.
- This announcement was following a decision by Whitehorse and Ballarat Councils to cease delivering CHSP Meals services (for which they utilised the MOW model) from 1 July 2023.
- In 2023-24, Queensland MOW received an additional $0.89 million to deliver services in Ballarat and Newcastle MOW received an additional $1.53 million to deliver services in Whitehorse, Victoria.
- The Whitehorse pilot site was initially supported by a supplementary workforce (contracted by MMA), business procedures, and technology provided under Future Fit.
- From 19 January to 31 May 2024, Future Fit and the pilot program wound down. All business operations in Whitehorse transitioned from MMA heavily supporting operations to full management by Newcastle MOW.
- During the transition, there have been challenges which have impacted operations at Whitehorse. The department worked with Newcastle MOW to limit impact to service delivery, this included a one-off Ad Hoc funding injection of $120,350 (GST exclusive) / $132,385 (GST inclusive) in 2023-24.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Australian National Audit Office (ANAO)

- Following a request from Senator Allman-Payne and former Senator Rice, the Auditor-General is auditing the Future Fit Program.
- As noted on the ANAO website the Audit Report is expected to be tabled in April 2025, and is examining:
  1. Has the department established sound governance arrangements to support the delivery of the Future Fit Program?
  2. Has the department conducted procurements for the Future Fit Program effectively?
  3. Has the department managed the Future Fit Program contracts effectively?
- Questions about the audit process and /or progress are a matter for the ANAO.
- The department is not able to reveal any further information about the audit.

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.
- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May 2024.

If pressed:

- The department is aware of allegations that two documents that fell within the scope of the Order to Produce were not produced as required. The department is examining relevant material and is working to identify and correct any issue as quickly as possible.

Demand pressures faced by meals providers

- Demand for aged care services is increasing, in line with the ageing population. Requests for additional funding for aged care services is common.
- A $37 million boost for aged care meals services was announced by Minister Wells on 3 December 2024. This provided an ongoing 10% increase on existing funding amounts for all CHSP providers funded to deliver meals, resulting in a net increase of 13.5% in 2024-25.

Future of meals reforms

- The department chairs a regular Forum to discuss meal reforms, and the impacts for meals providers, with MOW Australia (MOWA) and MOW state associations. The group has met 4 times since December 2023. Our next meeting is scheduled for 7 March 2025.
- The department is currently prioritising critical work related to the CHSP 2025-27 extension, transitioning CHSP providers and clients under the new Aged Care Act by 1 July 2025, and other changes required to implement and support aged care reforms. Further considerations around changes to CHSP meals policies will be considered in the context of preparations for the longer-term transition of CHSP into the Support at Home program, which will not occur before 1 July 2027.
- Currently, the National Health and Medical Research Council (NHMRC) is developing dietary guidelines for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander peoples), which will form part of the review of the 2013 Australian Dietary Guidelines. The revised dietary guidelines will include specific advice on the nutritional needs of older people and will be used by the public, health professionals and policy makers to inform the development of suitable meals and menus.
- In addition, the Independent Health and Aged Care Pricing Authority (IHACPA) is conducting a costing study to better understand the cost of a meal, including the

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

social element of service delivery. IHACPA will provide government with advice on meal delivery prices (excluding the 'social element') as part of its draft advice in February 2025. The report may support future policy design for funding meal delivery in in-home aged care.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2024-2025

Outcome: 3 - Ageing and Aged Care

Meals on Wheels

KEY POINTS

Future Fit Program – contracts

- Between 23 December 2021 and 31 May 2024, the department contracted Miles Morgan Australia to the value of $7.94 million (GST exclusive) / $8.74 million (GST inclusive) to deliver the Future Fit program and transition pilot site activities at Whitehorse Meals on Wheels (MOW) to Newcastle MOW.

Miles Morgan Australia (MMA)

- On 17 September 2024 MMA entered into liquidation.
- The liquidation process will assist the department to resolve conflicting claims for Intellectual Property ownership.
- On 12 April 2024, the Australian Tax Office (ATO) sent the department a garnishee notice outlining that a percentage of the final payment had to be paid directly to the ATO.

Future Fit Program – overview and status

- The Future Fit program was designed and implemented to develop and test reform options to improve the wellbeing of older people in Australia through improved quality and choice of meals, while maintaining the highly valued social supports that MOW volunteers provide.
- In implementing the Future Fit program, the department encountered a number of challenges, including different approaches within the MOW network. This is to be expected given the large number of independent organisations who make up the MOW network.
- Future Fit delivered:
  - The design and testing of an Enterprise Resource Planning system, codesigned with frontline services.
  - The technological build required significant stakeholder consultation, user testing and investigation of integration options with Aged Care Gateway.
  - Four stocktake reports that provided insights into the financial and operational models used by MOW organisations, and a food and nutrition stocktake that identified the procedures followed by MOW organisations.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- The ability to test policy ideas in an operational setting through the Whitehorse Pilot which conducted a six-month trial of an alternative service-level delivery model. The pilot focused on improving client choice (by offering different price points and meals options for Culturally and Linguistically Diverse clients) while maintaining the social connection.

Future of meals reforms

- Pending Government decision, the department is continuing to work on meals reform.
- The department will work with stakeholders on policy parameters for meals services including further testing a new definition of a meal and quantifying the social capital elements of service delivery.
- The department regularly meets with MoW Australia (MOWA) and MoW state associations in a Forum to discuss meal reforms and the impacts for meals providers. The group has met 4 times since December 2023.
- MOWA has submitted a proposal to the department on meals reforms.

Media related to challenges faced by MOW organisations

- Despite this Forum, and encouragement to work with the department directly, MOWA and its services campaign regularly in the media and with local MPs on viability issues within the MOW sector.
- Demand for aged care services is increasing, in line with the ageing population. Requests for additional funding for aged care services is common.
- MOW providers, and other Commonwealth Home Support Programme (CHSP) grant recipients, will need to transition to new in-home aged care program, which is planned to occur from 1 July 2027.
- While individual providers may face viability challenges, the department does not have any evidence of widespread viability issues faced by the MOW network.
- The department is encouraging any CHSP grant recipients, who have concerns regarding the adequacy of their funding, to contact their Funding Arrangement Manager in the Community Grants Hub to seek support and advice.

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.
- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May 2024.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Freedom of Information (FOI)

- Through several FOI processes, the department has released redacted MMA contracts/official order and emails and contract deliverables.

Australian National Audit Office (ANAO)

- The Auditor-General has commenced auditing the Future Fit Program and is expected to table a final report in April 2025.

THIS DOCUMENT HAS BEEN RELEASED UNDER
THE FREEDOM OF INFORMATION ACT 1982
BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

Senate Committee: Community Affairs Committee

Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Meals on Wheels

Key points

Future Fit Program – contracts

- Between 23 December 2021 and 31 December 2023, the Department of Health and Aged Care contracted Miles Morgan Australia (MMA), to the value of $6,407,355.00 (GST exclusive) / $7,048,090.50 (GST inclusive), to deliver the Future Fit program.
- Following expiration of the Future Fit contract, the program is now in wind down. A short-term contract was entered into with MMA on 19 January 2024, to the value of $1,534,428.68 (GST exclusive) / $1,687,871.55 million (GST inclusive), to transition out Future Fit activities by 10 March 2024.
    - Transition activities have occurred. The contract will now end on 31 May, with final administrative arrangements in relation to the final report and payment currently being undertaken.

Future Fit Program – overview and status

- The Future Fit program was designed and implemented to develop and test reform options to improve the wellbeing of older people in Australia through improved quality and choice of meals, whilst maintaining the highly valued social supports that Meals on Wheels (MOW) volunteers provide.
- In implementing the Future Fit program, the department encountered a number of challenges, including different approaches within the MOW network, which they have been working with the Meals on Wheels Australia (MOWA) and state associations to resolve. This is to be expected given the large number of independent organisations who make up the MOW network.
- On 30 January 2024, MMA confirmed it would not seek to continue its involvement with the reform of MOW Services. With the expiration of the Future Fit contract, and the delay to the transition of the Commonwealth Home Support Program (CHSP) into the Support at Home from 1 July 2025 to not before 1 July 2027, this work is on pause so the department and Government can consider options moving forward.
- Future Fit delivered:
    - A definition of a meal.
    - The design and testing of an Enterprise Resource Planning system, codesigned with frontline services.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Contact Officer:	Chloe Stoddart	Deputy Secretary Clearing Officer:	Michael Lye	Clearance: 17 May 2024
Mobile No:	s47E(c), s47F	Mobile No:	s47E(c), s47F	
Division:	|Ageing and Aged Care| Home and Residential			

- A strengthened network of MOW providers who can learn from each other's operations and share valuable resources in order to meet growing demand from older people.
- A level of trust with MOW CHSP contract holders, by showing the department and Government truly value the social capital of MOW services.
- The ability to test policy ideas in an operational setting through the Whitehorse Pilot which conducted a six-month trial of an alternative service-level delivery model. The pilot focused on improving client choice while maintaining the social connection with clients. This included:
    - Development of three price points in order to offer consistent approaches across services which cater to different socio-economic communities.
    - Work to deliver meal choice to better engage local Culturally and Linguistically Diverse communities.
    - Increased client choice by allowing clients to choose from a range of options including, the type of meals they receive, the frequency at which they receive these meals (up to five days per week), the price they want to pay, the way in which they place orders.

Future of meals reforms

- Pending Government decision, the department aims to continuing working with the meals sector, including MOW Australia and non-MOW meals service providers, to finalise the underlying policy parameters for meals services such as further testing the new definition of a meal and quantifying the social capital elements of service delivery.
- The department has established a forum with MOWA and MOW state associations that meets quarterly to discuss meal reforms and the impacts for meals providers. The group has met 3 times since inception in December 2023.

Intellectual property for Future Fit

- Under the Head Agreement, the Commonwealth owns the relevant material created under the contract and has the right to use any other pre-existing material supplied with it.
- Following expiration of the Future Fit contract, there is now a process underway to clarify and confirm the arrangements relating to different deliverables and software. This will include determining specifically what constitutes material created under the contract and what constitutes pre-existing material.
- The department is currently investigating conflicting claims for intellectual property ownership.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Payment of subcontractors

- Concerns have been raised that some subcontractors have not been paid by MMA. The department is following up with MMA in relation to subcontractors, including outstanding payments. However, the department has not been contacted by any of the subcontractors in relation to not receiving payment.

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.
- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May.

Freedom of Information (FOI)

- Through several FOI processes, the department has released redacted MMA contracts/official order and emails and contract deliverables.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Senate Committee: Community Affairs Committee

Additional Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Meals on Wheels – Future Fit project

KEY POINTS

Miles Morgan Australia and Future Fit

- Miles Morgan Australia (MMA) was contracted by the department in December 2021 to undertake the Future Fit project. Future Fit aimed to support the Meals on Wheels (MOW) model and individual MOW providers to improve their organisational capacity and viability as well as provide data to support ongoing policy development.
- The total contract value was $6.41 million (GST exclusive) / $7.05 million (GST inclusive) between 23 December 2021 and 31 December 2023.
- The Department of Heath and Aged Care (the department), undertook a robust procurement process which met the Commonwealth Procurement Rules, where it looked at risks and the cost/benefit of the consultant's proposal. As a result, the department identified MMA was in a strong position to deliver the project.
- Some within the MOW network challenged the Future Fit project, while the majority have advocated for it. The challenges evolved from:
    - MMA identifying the lack of governance structures within the MOW network, at the national and state level. MOW Australia (MOWA) had no direct connection to or visibility of frontline service provision and were unable to verify their member organisations.
    - MMA identifying a well embedded software provider as at risk of collapsing.
    - Some state associations withdrawing or declining to participate in Future Fit.
    - When Whitehorse City Council relinquished their CHSP funding, there was an issue with transferring client data to the incoming provider, Newcastle MOW (NMOW), this meant they needed support from MMA to manually input the data into the new system.
    - MOWA and some state associations had concerns about MMA's financial capacity to deliver the project and alleged disputes between MMA subcontractors.
- To address these issues and any misconceptions, the department hosted a successful roundtable with the MOWA board on 5 December 2023. The Board then unanimously agreed to support the continuation of the Future Fit project, with some sensible adjustments to enhance transparency and participation across the MOW network, and ensure the right supports are in place for any future reform.
- The department and government are considering next steps, which may include the establishment of a Feasibility Study that will look at co-designing a new funding model and policy parameters that are accurate, enables organisational viability and supports older people to access nutritious meals.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- It is anticipated these tools and resources will be available to all meals providers on the successful completion of the Future Fit project and development of a new funding model prior to CHSP transitioning to Support at Home.

Future Fit – Key achievements and deliverables to date

- Working directly with the MOW network and invited state associations to participate in Future Fit in order to strengthen and expand network coverage to meet growing demand from older Australians.
- Creating a level of trust between the department and MOW CHSP contract holders.
- Giving frontline MOW services an opportunity to voice their concerns and co-design robust policy solutions.
- Building and strengthening connections between frontline services within and beyond their jurisdictions.
- Development of a new Enterprise Resource Planning system that will create service delivery efficiencies.
- The ability to test policy ideas in an operational setting through the Whitehorse Pilot which is trialling an alternative service-level delivery model, while improving client choice and maintaining the social connection with clients.

Justification for Future Fit Whitehorse and Ballarat pilot sites

- With a significant number of Victorian meals providers already supporting other sites who relinquished their funding in 2023-24, the department undertook a desktop analysis and considered many options available including interstate MOW providers who are part of Future Fit.
- Newcastle MOW and MOW Queensland were selected as the incoming providers at the Whitehorse and Ballarat sites, respectively. This decision was also based on their experience in running multi/regional outlet services under the MOW model.
- The unit price for these sites is currently $13.00 per meal and is subject to change under the proposed Feasibility Study. The higher unit prices were associated with operational and capital costs related to the transition from a high-cost Council led service.
- The Whitehorse pilot has:
    - Developed single menu structures for CHSP, Home Care Packages, NDIS, and private clients.
    - Developed three price points in order to offer consistent approaches across services which cater to different socio-economic communities.
    - Worked to deliver meal choice to better engage local Culturally and Linguistically Diverse communities.
- Other Victorian Councils, who are looking to relinquish their CHSP funding and want to maintain the MOW model, have noticed the work being done at Whitehorse MOW and have asked the department how they can become involved in Future Fit. Any CHSP meals provider can express their interest to be part of Future Fit.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- The department is aiming to evaluate the pilot sites in mid-2024 to inform the proposed Feasibility Study.

Senate Order to Produce Documents

- On 21 December 2023, the department responded to Senate Order to Produce Documentation (OPD) #393 received 16 November 2023.
- The department was eager to be transparent and show accountability for the MMA contract, however the department had concerns the release of some information would create further instability within the MOW network, and compromise the steps taken to build a unified and collaborative MOW network across Australia.
- Due to these concerns, the department met with the Senate Standing Committee on Community Affairs (the Committee), on 7 December 2023, to answer additional questions in a private hearing. In addition, the department has provided the parliament with supplementary information in relation to the MMA contract and the Future Fit project through 8 questions on notice and a parliamentary question on notice.
- The tabled documentation included the MMA contract (original official order and the varied contract) and documents related to key contract deliverables and contract management.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS08

COMMONWEALTH HOME SUPPORT PROGRAMME

MEALS ON WHEELS AND FUTURE FIT

KEY POINTS

Future Fit and Miles Morgan Australia – work up to 31 December 2023

1. The Department engaged Miles Morgan Australia in December 2021 to invest in the Meals on Wheels (MOW) model and support individual meals on wheels providers to improve their organisational capacity as well as provide the essential data to support ongoing policy development.
2. MOW is a well-loved brand and delivers vital community services to older Australians. The Future Fit program is designed to find ways to strengthen the work of these services through technologic improvements, strategic data capture and better evidence to support decision making.
3. The program was funded $7.048 million. The key achievements of the project include:
    - Undertaken a finance and operations stocktake of 90% of non-council delivered meals on wheels services, to provide the most accurate snapshot of the network to date, including but not limited to financial health and use of volunteers.
    - Provided independent financial advice to meals on wheels providers identified as potentially facing financial difficulties.
    - A food and nutrition stocktake to develop a definition of a meal, in consultation with nutritional experts, which includes draft course categories and details the nutritional requirements and output weightings for DEX reporting.
    - Investigated the current state of infrastructure supporting the means network, developed a digital operating model to underpin future technological development, and commenced the build process for a range of technological solutions.
    - Developed a new secure data store for services to improve data security and mitigate the risk of data being compromised.
    - Working directly with the MOW network and invited state associations to participate in Future Fit in order to strengthen and expand network coverage to meet growing demand from older Australians.
    - Creating a level of trust between the department and MOW CHSP contract holders.
    - Giving frontline MOW services an opportunity to voice their concerns and co-design robust policy solutions.
    - Building and strengthening connections between frontline services within and beyond their jurisdictions.
    - Development of a new Enterprise Resource Planning system that will create service delivery efficiencies.
    - The ability to test policy ideas in an operational setting through the Whitehorse Pilot which is trialling an alternative service-level delivery model, while improving client choice and maintaining the social connection with clients.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH AND AGEING

4. Some people within the MOW network challenged the Future Fit project, while the majority have advocated for it. The challenges evolved from:
    - MMA identifying the lack of governance structures within the MOW network, at the national and state level. MOWA had no direct connection to or visibility of frontline service provision and were unable to verify their member organisations.
    - MMA identifying a Customer Relationship Management software provider who was at risk of collapsing, putting 120 providers at risk of having to revert to manual processes.
    - Some state associations withdrawing or declining to participate in Future Fit.
    - When Whitehorse City Council relinquished their CHSP funding, there was an issue with transferring client data to the incoming provider, Newcastle MOW (NMOW), this meant they needed support from MMA to manually input the data into the new system.
    - MOWA and some state associations had concerns about MMA's financial capacity to deliver the project. However, the department has confirmed there are no disputes between MMA or any of their current or previous subcontractors.

5. To address these issues and address any misconceptions, the department held a successful roundtable, on 5 December 2023, with the MOWA board who unanimously agreed to support the continuation of the Future Fit project, with some sensible adjustments to enhance transparency and participation across the MOW network, and ensure the right supports are in place for any future reform.

MMA short-term contract

6. A new contract was executed with MMA on 19 January 2024 and will cease on 10 March 2024.

7. The total contract value is $1.688 million (GST inclusive), of which $0.675 million (GST inclusive) has been expended.

8. The contract seeks to ensure a smooth windup of Future Fit activities including funding for IT systems maintenance and the transfer of the Future Fit operating model being tested in Whitehorse to Newcastle MOW (NMOW), to ensure that there are no detrimental impacts on older Australians. NMOW is the primary decision maker during the transition and is currently determining if they wish to continue using the new IT system and business model in Whitehorse in advance of a government decision.

9. On 31 January 2024, MMA notified the department they will be withdrawing their proposal for any future work on the Future Fit project beyond 10 March 2024.

Whitehorse transition to NMOW

10. As a result of MMA's withdrawal of Future Fit activities, NMOW has chosen to not continue with the new systems being piloted at Whitehorse and have opted to use the system developed by the original software developer in mid-2023.

11. Challenges with the transition of operations to NMOW:
    - The NMOW CEO, who was key to the success of the transition, has resigned the week of 5 February 2024.
    - There has been a significant breakdown in the relationship between MMA and NMOW.
    - NMOW feel they are being kept in the dark and not receiving adequate training to take over the operations of the site.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- There is a heightened emotional state at the Whitehorse site which anecdotally may be related to Whitehorse staff (employed by MMA) losing their jobs when the MMA contract ceases 10 March 2024. NMOW explored the option of retaining these existing Whitehorse Staff, but ultimately this did not materialise.
- There have been complaints submitted about the conduct of a NMOW staff member who attended the site the week of 5 February 2024.
- NMOW is worried about sending staff to Whitehorse for fear of mistreatment. In addition, they are worried about new staff starting on 19 February 2024.
- NMOW want to limit any face-to-face interaction with MMA.

12. As a result of these challenges the department has been acting as a mediator to support the transition, steps taken include:
    - Attending weekly transition meeting since 6 February 2024.
    - Regular contact with both MMA and NMOW.
    - Monitoring MMA's weekly status reports.
    - Ensuring NMOW get the data and training material they need.
    - Asking NMOW to provide the department with a transition plan to get an understanding of their requirements and staff roles and responsibilities.
    - Asking MMA to develop a two-week training schedule to provide transparency and set expectations for all parties.
    - Asking MMA to share the relevant data as soon as possible and provide the department with evidence it has been uploaded to a secure file store shared with NMOW. MMA confirmed they shared the below data on 13 February 2024:
        - Jan DEX and client invoices.
        - Volunteer reimbursements.
        - Volunteer schedule/availability.
        - Data stored in the Enterprise Resource Planning system.
        - Client onboarding schedule.
        - Batches 3-5 of new clients to onboard.
        - HCP provider information
        - Food wastage and stocktake data.
        - Food safety plan
        - Copies of notices/letters that have been formally sent to clients.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

13. On 13 February, the department sent NMOW 50 standard operating procedures that were uploaded to a secure file store shared with MMA. These files were uploaded on the afternoon of Friday 9 February 2024 **(Attachment B refers)**. Unbeknown to the department, these documents had not been provided to NMOW, otherwise they would have been shared immediately.
14. While it's very disappointing the transition has not been as orderly as we would have expected, we remain confident that NMOW's experience with operating 9 Newcastle sites in conjunction with the back of house changes supported by Future Fit (operational procedures, menu management) will place NWOW in good position and mitigate potential for client disruption.

15. The department is continuously monitoring the situation and will reassess once all the relevant data is provided to NMOW. The department will consider the need to send a delegate to Whitehorse on 19 February 2024 if significant concerns persist.

Feasibility Study

16. Given recent events, the Feasibility Study is now on hold. The aim of the Feasibility Study was to test new policy parameters in conjunction with the deployment of new technology. The department commenced co-design with 33 meals on wheels providers (**Attachment A refers**) to design and test new policy settings that provide the evidence base for decisions on future funding models.
    - Collectively, the 33 MoW participants deliver around 1.9 million meals to more than 17,000 CHSP clients annually. This represents around 30% of MoW delivery in Queensland and New South Wales, over 40% in Tasmania, and will also include the new Whitehorse and Ballarat MoW services in Victoria (formerly run by local councils).
    - A Working Group was established from October 2023 to focus on co-design of policy parameters including the definition of what a meal is within in-home aged care program design, how to reflect the value of the social support element of the meals on wheels model and better understand the socio-economic structure of meals on wheels clients. On 9 and 10 October 2023, the department held a working group meeting with 28 of the 33 participants.
17. This study had the potential to provide near real-time data to these providers and the department and would have provided the most robust evidence base ever constructed in this area.

Sustaining reforms to meals services

18. The Future Fit deliverables have strategically positioned the department to sustain reforms to meals services.
19. The department is looking at options to put to government regarding continuing the reform work with a focus on developing consistent reporting against a new definition of a meal and quantifying the social capital elements of service delivery to ensure organisational viability and support older Australians to access nutritious meals.
20. Current challenges with meals service delivery:
    - The department has identified several core challenges with meals service delivery which impacts the viability of a meals delivery model that includes volunteers delivering social supports. It's not appropriate to go into these in detail in a public forum as it may disadvantage MoW.
21. This includes:
    - There is no consistent collection of data, the existing data capture methods contain many gaps in information and inaccuracy.
    - No established agreement of a meal/nutritional baseline or standard definition of a meal for example, is a soup classified as 1 output.
    - No policy framework to understand how to recognise social capital in the meals context without imposing regulatory issues on volunteers.
    - No clear framework to facilitate the inclusion of consumer contributions under a model that is linked to the cost of production,
    - In its current state, a singular unit price architecture creates a competitive disadvantage for the MOW model.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

22. The department, with the support of Future Fit, has an enhanced understanding of the MoW model, which will usefully inform future policy development in particular:
    - Used a financial and operational stocktake to better understand the variances and variables in service methods across the MOW network. This includes the supply, storage, delivery and preparation of meals, to inform the design of a future funding model that can cater for these variances.
    - Commenced looking at how the social support component of MOW can be quantified, without introducing overregulation of volunteers, and develop a clear policy architecture to incentivise social support within the funding model.
    - Developed a draft definition of a meal, which includes draft course categories and details the nutritional requirements (based on the MOW National Meal Guidelines) and output weightings for DEX reporting.
23. Benefits to key stakeholders:
    - The financial and operational stocktake will enable the department to look at a funding model that takes into account the variability across the services. This may support MOW providers who operate high cost cooking kitchens in a sustainable way whilst ensuring older Australian have increased choice and the option to choose freshly cooked meals.
    - Quantifying the social capital of services will support the objectives of MOWA and state associations who have been lobbying to Government for many years to get recognition that services are *'more than just a meal'*.
    - Finalising the definition of a meal will ensure consistency across the entire CHSP meals sector, resulting in better data capture to inform future reforms. Furthermore, the nutritional requirements will support MOW services to deliver nutritious meals that meet the specific nutritional needs for older Australians, promoting general wellness and preventing malnourishment.
    - Overall, the establishment of accurate policy parameters and a robust funding model is critical for accountability and transparency, ensuring taxpayer money is used effectively, resulting in enhanced aged care services, economic benefits, and overall well-being for older Australians.
24. The department will continue to work with the 33 MOW participants to finalise the underlying policy parameters for meals services. This will enable all meals providers to consistently apply these parameters into service delivery.
25. The department recognises new technology will further support MOW providers to operate more effectively and efficiently within the constraints of their funding arrangements. The department is looking at options to finalise the system developed through Future Fit, this could include engaging a developer through an open tender process.
26. The department has invested $1.60 million (GST inclusive) in the development of the new system. The system was almost at completion and there is an opportunity to further expand the functionality, this includes:
    - Dashboard reporting on nutrition content.
    - An ability to record welfare and wellness checks.
    - Monitoring client nutrition.
    - Incorporating other government programs such as NDIS and HCP.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH AND AGEING

WHITEHORSE AND BALLARAT

27. Meals on Wheels providers in Victoria have traditionally been Local Councils. As Councils have been withdrawing from the provision of Aged Care services, the department has selected a range of existing meals providers in Victoria to take the place of those councils. The Department is aware that many of these providers do not subscribe to the Meals on Wheels ethos.

28. The department is not in a position to run open tender processes for relinquishing providers. While we understand that this is not ideal, the practical realities of how this occurs is dictated by Whole-of-Government processes and procedures, including the Commonwealth Grant Guidelines. Open grant processes require substantial engagement from at least 5 Commonwealth departments/agencies as well as multiple ministers and therefore tend to take a minimum 6 months.

29. What do we do instead for relinquishments is a desktop analysis of existing CHSP providers that meet conditions and service criteria as outlined in the CHSP manual. Importantly, we have regard to provider performance, adherence to quality standards, and workforce capacity. We then undertake negotiations with those providers to inform selection decisions.

30. In the 2023-24 CHSP extension process, 14 providers relinquished meals services in Victoria.19 providers were selected as incoming replacements, including NMOW and MOW QLD.

31. With a significant number of Victorian meals providers already supporting other sites who relinquished their funding in 2023-24, the department undertook a desktop analysis and considered many options available including interstate MOW providers who are part of Future Fit.

32. NMOW and MOW Queensland were selected as the incoming providers at the Whitehorse and Ballarat sites, respectively. This decision was also based on their experience in running multi/regional outlet services under the MOW model.

33. The unit price for these sites is currently $13.00 per meal and is subject to change under a new meals funding model. The higher unit prices were associated with operational and capital costs related to the transition from a high-cost Council led service, which often cross subsidise CHSP services.

34. The department has been working to implement nationally consistent unit prices, but this takes time and substantial fiscal investment. The first stage was the introduction of defined unit price ranges for 2022-23. The second stage for 2023-24, was to narrow the unit price range by indexing the bottom of price range by more than those at the top.

35. For meals and transport, the third stage was the pilot/feasibility study work which has now been delayed for meals. Ad-hoc applications (under GO5672) can be used to increase the funded unit price within the National Unit Price Range if a provider can demonstrate operating challenges (noting an annual cap of 250k funding increase per provider). These can be applied for through Grant Connect.

36. The department is aware of some concerns raised by Meals on Wheels Victoria about the Whitehorse Meals on Wheels operation. None of the issues raised have so far been validated.

37. While the department did not consult the state peak association, the department does not engage peaks in commercial negotiations with contract holders. As per usual processes, the department only engages existing CHSP providers to take over service delivery where another provider withdraws.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Lite N' Easy

38. Concerns have been raised about Lite N' Easy (LNE) does not meet the MOW National Meals guidelines.

39. Whitehorse is utilising LNE's My Choices range which was developed by LNE's team of dieticians and chefs, in line with the Australian Dietary Guidelines and in consultation with the Meals on Wheels National Meal Guidelines. The My Choices range was specifically designed to meet the nutritional needs of older Australians.

40. Incorporating the Meals on Wheels National Guidelines is advisable when developing nutritious meals for older Australians, however aged care providers are not mandated to adhere to these guidelines. This gives providers the flexibility to cater to diverse populations with distinct dietary requirements that align with specific cultural, medical or nutritional preferences.

41. One caveat is that Whitehorse does have a very small number of Lite N' Easy vegetarian meals that are understood to likely not meet the National Meals Guidelines (based on appropriate portion sizes). This is to ensure older Australians have as much choice as possible in their menu options, with the provision of vegetarian meals that meet the National Meals Guidelines an ongoing area of work across Meals on Wheels network.

Data concerns

42. Concerns have been raised about MMA inappropriately accessing client data at WMOW.

43. The department investigated this issue and identified that the concerns raised likely related to a technical issue in the deployment of new software, with the effect on business operations being misinterpreted.

44. New software was deployed to WMOW in early July 2023. However, as sometimes occurs with new releases the software deployed was not yet fully operational in line with technical specifications. One of those specifications related to data extraction. Due to this, a short-term workaround was put in place where the software developer, under sub-contract with Miles Morgan Australia, provided information through back-end data extraction. This issue was temporary in nature and has since been resolved.

45. Based on the concerns raised, it appears that the manual provision of data by the software developer was interpreted as potentially problematic. NMOW have confirmed there were no issues relating to data and privacy obligations, and that appropriate data governance was in place.

46. NMOW owns the client data at Whitehorse as per their CHSP contract. Under their CHSP contract and as outlined in the CHSP manual, service providers must have systems in place to allow them to meet their service delivery, data collection and reporting obligations, this includes protecting a client's privacy and confidentially.

47. NWOW has confirmed they have an agreement with their software provider to ensure full implementation of data security measures. In addition, as part of MMA's contract they are responsible for data security and notifying the department if there are any data breaches.

IP concerns

48. Under the Head Agreement, the Commonwealth owns the relevant material created under the contract and has the right to use any other pre-existing material supplied with it. This means the Commonwealth owns the system, however the data within the

THE DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

systems are owned by the CHSP grant recipients i.e., NMOW owns the data at their Whitehorse site.

49. Neither MMA nor the department hold an intent to own the IP, the intention was the users of the technology will take ongoing responsibility of the IP.

50. Given MMA has withdrawn from Future Fit, there is now an ongoing process to determine the ownership of the technological products moving forward. The original software developer (s47G) will also have claims to proprietary materials created prior to the department entering into a contract with MMA. As such, the department will need to undertake an audit to determine what is existing material versus contract material.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS08

Attachment A – Feasibility Study 33 meals on wheels providers - 2022-23

Service Provider Name	CHSP Meal Funding	CHSP Contracted Meals	CHSP Delivered Meals	CHSP Meal Clients	Volunteers (2020-21)	FTE (2020-21)	Delivered States	Delivered MMM Locations
Ipswich Meals on Wheels	$403,506.51	s47E(d), s47G						
Narrandera Meals on Wheels	$122,252.39							
Caloundra Meals on Wheels	$773,701.69							
Bundaberg Meals on Wheels	$439,324.99							
Camden Meals on Wheels	$295,167.40							
Rockhampton Meals on Wheels	$286,446.52							
Charlestown Meals on Wheels	$250,726.83							
Wollongong Meals on Wheels	$217,769.75							
Collinsville Meals on Wheels	$22,879.57							
Blue Mountains Meals on Wheels	$738,585.44							
Babinda Meals on Wheels	$27,679.05							
Blacktown Meals on Wheels	$701,826.63							
Crows Nest Meals on Wheels	$22,906.01							
Inverell Meals on Wheels	$253,634.91							
Roma Meals on Wheels	$23,919.92							
Dubbo Meals on Wheels	$690,053.96							
Rochedale Meals on Wheels	$65,619.75							
Central Coast Meals on Wheels	$1,600,506.68							
Brisbane South Meals on Wheels	$1,663,879.35							
Sutherland Food Services	$440,854.06							
Fraser Meals on Wheels	$626,484.12							
Tamworth Meals on Wheels	$614,838.79							
Sandgate & District Meals on Wheels Inc	$441,525.00							
Village Chef by Meals on Wheels	$1,789,499.14							
Nepean Meals on Wheels	$647,152.94							
Fairfield Meals on Wheels	$648,042.43							
Bathurst Meals on Wheels	$415,595.30							
Open Arms Care Meals on Wheels	$327,990.64							
Meals on Wheels Tasmania	$1,272,491.02							
Ballarat Meals on Wheels	$301,842.45							
Longreach Meals on Wheels								
Newcastle Meals on Wheels	$1,810,955.74							
Whitehorse Meals on Wheels								
TOTAL	**$17,937,658.98**							

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS08

Attachment B – Index of Whitehorse Standard Operating Procedures

Index of SOPS and materials				
Governance Area	**Category**	**SOP**	**Reference**	**Date uploaded**
Clients	**Client rights**	CL-004 Client rights and responsibilities	CL-004	9/02/2024
		CL-005 Providing the Charter of Aged Care Rights	CL-005	9/02/2024
		CL-002 Client and third party consent	CL-002	9/02/2024
		CL-013 Diversity and equity	CL-013	9/02/2024
		CL-018 Privacy, confidentiality, and consent	CL-018	9/02/2024
		CL-003 Authorised representive	CL-003	9/02/2024
	Client onboarding	CL-010 Client dietary requirements capture	CL-010	9/02/2024
		CL-001 Client onboarding	CL-001	9/02/2024
		CL-011 Client referrals	CL-011	9/02/2024
	Client service provision	CL-006 Refusal of meal service	CL-006	9/02/2024
		CL-009 Client emergency procedure	CL-009	9/02/2024
		CL-014 Client no response	CL-014	9/02/2024
		CL-017 Client survey	CL-017	9/02/2024
		CL-015 Communicating with clients	CL-015	9/02/2024
		CL-019 Client home entry	CL-019	9/02/2024
		CL-012 Dignity and choice	CL-012	9/02/2024
	Client transition	CL-020 Home Care Package (HCP) clients	CL-020	9/02/2024
		CL-008 Client change of circumstance	CL-008	9/02/2024
	Client ordering	CL-016 Client ordering	CL-016	9/02/2024
Volunteer	**Volunteer Onboarding**	VL-008 Volunteer recruitment	VL-008	9/02/2024
		VL-007 Volunteer registration and onboarding	VL-007	9/02/2024
		AD-006 Volunteer and staff training matrix	AD-006	9/02/2024
		AD-005 Induction of new volunteers and staff	AD-005	9/02/2024
	Training Admin	AD-001 Online training modules	AD-001	9/02/2024
		AD-002 Police Check Policy	AD-002	9/02/2024
	Delivery runs	VL-001 Delivery run preparation	VL-001	9/02/2024
		VL-009 Vehicles and driving	VL-009	9/02/2024
		VL-002 Volunteer unable to complete delivery run	VL-002	9/02/2024
		VL-005 Meal Delivery Process	VL-005	9/02/2024
	Roster	VL-004 Volunteer Rostering	VL-004	9/02/2024
		VL-010 Volunteer Recognition	VL-010	9/02/2024
		VL-011 Run Management	VL-011	9/02/2024
Food safety	**Food Safety Plan**	Food safety plan	FS-001	9/02/2024
		FS-002 Transport and receipt of meals	FS-002	9/02/2024
		FS-003 Meal storage	FS-003	9/02/2024
		FS-004 Personal hygiene	FS-004	9/02/2024
		FS-005 Stock management	FS-005	9/02/2024

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS08

Index of SOPS and materials

Governance Area	Category	SOP	Reference	Date uploaded
		FS-006 Equipment maintenance and repair	FS-006	9/02/2024
		FS-007 Equipment cleaning and sanitising	FS-007	9/02/2024
		FS-008 Pest control	FS-008	9/02/2024
		FS-009 Food recall	FS-009	9/02/2024
		FS-010 Food safety training policy	FS-010	9/02/2024
		FS-011 Client food complaints	FS-011	9/02/2024
		FS-012 Allergen management	FS-012	9/02/2024
		FS-013 Temperature monitoring and calibration policy	FS-013	9/02/2024
		FS-014 Food safe packing and delivery	FS-014	9/02/2024
		FS-015 Food safety audit and records management	FS-015	9/02/2024
	Menu creation	FS-016 Menu creation	FS-016	9/02/2024
		FS-018 Sticker and label use	FS-018	9/02/2024
		FS-017 Meal ordering	FS-017	9/02/2024
	Reimbursements	FN-006 Delivery driver reimbursements	FN-006	13/02/2024
	Invoicing	FN-007 Meal supplier invoicing and goods receipt	FN-007	13/02/2024
	Client Finance	FN-002 Hardship & Emergency Relief Policy	FN-002	13/02/2024
		FN-001 Debt Write Off Policy	FN-001	13/02/2024
		FN-004 Payment cancellation	FN-004	13/02/2024
		FN-005 Run Finalisation and DEX reporting	FN-005	13/02/2024
		FN-003 Client Invoicing	FN-003	13/02/2024
		RACI and Role Descriptions		9/02/2024
Other administration	**Health and safety**	HS-015 Covid response plan	HS-015	13/02/2024
		HS-008 Client Site Emergency	HS-008	13/02/2024
		HS-010 Lighting	HS-010	13/02/2024
		HS-011 Visitor Control	HS-011	13/02/2024
		HS-016 Smoking, alcohol & other drugs	HS-016	13/02/2024
		HS-009 Trips and falls	HS-009	13/02/2024
		HS-007 Working in cold storage rooms	HS-007	13/02/2024
		HS-006 Working in hot conditions	HS-006	13/02/2024
		HS-004 Client Site Access Hazards	HS-004	13/02/2024
		HR-001 Bullying Procedure	HR-001	9/02/2024
		HS-005 Manual Handling	HS-005	13/02/2024
	Incident management	HS-001 Incident Management	HS-001	13/02/2024
		HS-002 Serious Incident Response Scheme (SIRS)	HS-002	13/02/2024
		HS-003 NDIS reportable incidents	HS-003	13/02/2024
		HR-002 Volunteer and staff grievances and dispute resolution	HR-002	9/02/2024
		HR-008 Feedback and complaints	HR-008	13/02/2024

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS04

COMMONWEALTH HOME SUPPORT PROGRAMME

CHSP REFORMS AND EXTENSION

KEY POINTS

1. The Australian Government has invested up to $3.08 billion in funding for CHSP grant agreements from 1 July 2023 to 30 June 2024 to ensure continuity of in-home support services for over 816,000 clients across Australia (**AS2 refers**).
2. The CHSP has been extended to 30 June 2025 following the May 2023 Budget. The Department of Health and Aged Care undertook an information gathering exercise with existing providers in January 2024, ahead of the 2024-25 extension.
3. Following an announcement by Minister Wells on 28 November 2023, the CHSP has been further extended to 30 June 2027, in line with the staged implementation of the new Support at Home program.
4. In 2023-24 the program introduced the following changes:
    - Adjustment of the national unit price range, with all providers receiving a minimum 5% increase.
    - The unit price range has been narrowed, with the minimum funded price increasing by a minimum of 10%.
    - In recognition of increased fuel costs, Community Transport providers received a further 1% increase in funded price.
    - Increased performance and delivery compliance is being undertaken to improve the efficiency of resource allocation within CHSP.
    - The definition of Specialised Support Services (SSS) was refined following consultation with providers in order to improve program administration.
5. For the 2023-24 extension, the department also deployed enhancements to the relinquishment process to mitigate risks to continuity of support that materialised from the 2022-23 extension, including:
    - lengthening the minimum three-month timeframe to four months for relinquishing providers to transition out
    - strengthening the Transition Out Plan (TOP) to capture more comprehensive client information and to facilitate the earlier exchange of information with the Department and with potential incoming providers
    - improving the direct selection process to strengthen consideration of workforce constraints.
    - increased engagement by the department with transitioning providers
6. These enhancements resulted in limited disruption as part of the transitions that took effect 1 July 2023. The department will continue to enhance and improve any processes to further reduce risks associated with relinquishments.
7. Overall, 58 providers to date are expected to withdraw from CHSP partially (23) or fully (21) (14 unconfirmed) in the 12 months to 30 June 2024.
    a. 20 Councils nationally have indicated they may partially (9) or fully (11) withdraw from the CHSP over the 2023-24 period, with six yet to be confirmed. 14 of these are in Victoria (noting five are yet to be confirmed).
    b. The withdrawal rate is currently lower than the 2023-24 extension processes, where 93 providers either partially or fully withdrew from CHSP, of which there were 23 councils.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

COUNCIL RELINQUISHMENTS

- It is a requirement under the CHSP grant agreement that any organisation that decides to exit from the CHSP is required to provide the department with at least four months' notice with a transition out plan with details outlining information to inform the transition including but not limited to clients, staffing, subcontracting and facilities.
- CHSP providers are also expected to actively work with the department and incoming providers on transition arrangements to ensure service continuity for clients.
- As at January 2024, there are nationally 154 councils funded to deliver CHSP services.
- The withdrawal of councils from CHSP is an ongoing trend, as they consider their long-term role in the delivery of aged care services. Nevertheless, it is clear that the CHSP provider market is moving through a period of change and consolidation.
- Minister Wells sent a letter to all CHSP funded Councils on 18 August 2022 inviting them to register their interest to be involved in two engagement sessions (12 and 16 September 2022) about the reforms and take part in consultation about the future of in-home care.
- Councils were also invited to a webinar on 9 December 2022 to discuss the reform discussion paper and engage their specific views. This follows on from previous engagement sessions with the department and the recent roundtable with Minister Wells on 18 November 2022.
- Victorian Councils in particular have been vocal about their continuation of aged care services due to viability concerns going forward. The state of Victoria has historically had a different CHSP footprint compared to other states or territories with more Councils funded to deliver CHSP services. There are 46 Victorian councils providing CHSP services.
- The key reasons cited by Councils exiting the CHSP include:
  - Uncertainty about program and funding arrangements post 30 June 2024
  - Inability to compete with other providers due to the high cost of service provision
  - Decreasing ability and willingness to cross-subsidise CHSP service delivery
  - The perception that aged care is no longer a core service for local government.
- There were some service disruptions as a result of some council withdrawals in Victoria in mid to late 2022. Circumstances differ, however the key issues related to:
  - Delays resulting from client data information not reflecting current services and being up to date in My Aged Care
  - Unexpected difficulties in staff recruitment due to workforce shortages, particularly for Domestic Assistance and Personal Care staff
  - The historical composition and structure of aged care services resulting in difficulties to source other providers
  - Higher staff wages for Council staff contributing to the difficulty for incoming providers to attract additional staff to meet demand
  - Council offering redundancies to staff which impacted on workforce availability in the region.
- All service disruptions were restored by December 2022.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

CHSP provider (including Councils) relinquishments from 2020-21 to 2023-24

Relinquishments	2020-21	2021-22	2022-23* **	2023-24 ^
Partial	4 providers	32 providers	34 providers	23 providers
Full	5 providers	56 providers	59 providers**	21 providers
Councils Partial	1 provider	13 providers	9 providers	9 providers
Councils Full	1 provider	24 providers	14 providers*	11 providers
Vic Councils Partial	1 provider	10 providers	5 providers (3 providers SSD only)*	1 provider
Vic Councils Full	0 providers	13 providers	9 providers*	8 providers

*includes relinquishments of SSD, SSS and output service types

**includes one council who had a partial relinquishment early in the period, and then completed a separate full relinquishment at the end of the period.

^excludes 14 providers yet to be confirmed, including five (5) Victorian Councils who are yet to be confirmed .

- Of the 93 providers nationwide, who relinquished CHSP services in 2022-23, 23 providers were Councils as detailed below:

*Council providers that relinquished CHSP services in 2022-23**

State	Full	Partial	Total
VIC	9	5	14
NSW	4	2	6
WA	0	1	1
SA	1	1	2
TOTAL	**14**	**9**	**23**

** Relinquishments effective from 1 July 2023*

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

BACKGROUND

- Across 2023-24, there were changes to some CHSP service types:
  - **Assistance with Care and Housing (ACH)** – On 1 January 2023, ACH navigation services (assessment/referrals and advocacy) transitioned to the new care finder program to streamline navigation supports for aged care. ACH Hoarding and Squalor remains in the CHSP in 2023-24.
    - A minor corrective update was made to the CHSP manual on 17 April 2023 to ensure continuation of service delivery for some clients previously supported through CHSP (ACH – Advocacy and Assessment following the implementation of the care finder program. This included prematurely aged clients and co-habiting clients of the Principal ACH client.
  - **Sector Support and Development (SSD)** – In 2022-23, following extensive review and sector consultation, the objective of SSD was updated and required SSD providers to focus on delivering new SSD activities that support and prepare CHSP providers for CHSP reforms and future in-home aged care reforms. In 2023-24:
    - SSD providers are required to allocate at least 75 per cent of their SSD funding to activities that increase CHSP provider capability and improve quality of service delivery under a targeted range of primary focus areas.
    - SSD providers can allocate up to 25 per cent of their remaining SSD funding towards delivering activities directly to clients and/or consumers. These include translation/interpreting activities, presentations or stalls at aged care fairs/expos, and navigation services for those not eligible for the recently implemented Care Finder program.
  - **Specialised Support Services (SSS)** – amendments to the definition for the SSS service type were implemented to ensure better service type alignment. This follows extensive sector consultation over 2022 which showed a significant number of providers delivering a variety of services not aligned with the objective of the service type. These providers were engaged with as part of the 2023-24 CHSP contract extension to align their services to be in-scope for SSS from 1 July 2023. A SSS fact sheet was published on the CHSP resources page and also circulated to SSS providers as part of the extension process; the CHSP manual was updated for the 1 July 2023 commencement.
  - **Goods, Equipment and Assistive Technology (GEAT)** – $43 million in 2023-24 in funding for national provision of GEAT services in recognition of the increased demand for GEAT, and to support older Australians who need urgent equipment and are waiting to be assigned a Home Care Package (HCP) or if they have fully expended their package budget – providing up to $2,500 per year to purchase equipment in urgent circumstances.
- From 1 July 2022 all CHSP providers, excluding providers who only deliver SSD, are required to submit monthly performance reports through Data Exchange. The submission of a monthly performance Data Exchange report is mandatory and may be linked to the release of a provider's next monthly payment. Only SSD providers will remain on a six-monthly reporting schedule.
- The monthly reporting is providing more accurate and timely information about provider performance and is being used for compliance monitoring. Thirty-six providers were contacted regarding their funding, proposing reduction of up to 30% of their annual base amount due to their current service provision performance.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- In 2023-24 117 providers are being contacted regarding their funding with proposed reduction of up to 30%. These providers can provide justification via a business case with reasons why funding should not be reduced, which the delegate will approve.
- In 2022-23, payment in arrears and national unit price ranges were also introduced. These national Unit prices have been reviewed for 2023-24 to reflect the increased indexation (see Attachment B).

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

HSOB: AS04

ATTACHMENT A

Table 1: Councils either partially or fully relinquishing their CHSP services during 2023-24

	Type	Name of provider	State	Proposed date	Confirmed	Clients (ToP)	Status
	Partial	City of Ryde	NSW	01-Jul-24	Yes	232	Relinquishing all services except for SSD. Provider selections pending.
2	Partial	Gunnedah Shire Council	NSW	01-Oct-23	Yes	0	Completed. Only SSD relinquished. Late notice in November 2023.
3	Partial	Hornsby Shire Council	NSW	01-Jan-24	Yes	0	SSD only. Completed.
4	TBA	Mid-Coast Council	NSW	01-Oct-24	Yes	TBC	Confirmed withdrawal in next financial year.
5	Partial	The Council of the Municipality of Kiama	NSW	01-Oct-23	Yes	0	SSD only. Completed.
6	Partial	Tweed Shire Council	NSW	01-Jan-24	Yes	114	Completed. Tweed SC retained SSD.
7	Partial	Wollongong City Council	NSW	01-Jul-24	Yes	TBC	Confirmed withdrawal. Provider selections pending.
8	Partial	East Arnhem Regional Council	NT	01-Apr-24	Yes	TBC	Council is to handover over Groote Eylandt to new council. Awaiting formal advice from NT Govt.
9	Partial	Campbelltown City Council	SA	01-Jul-24	Yes	TBC	Council will retain Social Support Group and Individual and Transport. Selections pending.
10	Partial	City of Burnside	SA	01-Jan-24	Yes	0	Completed. No clients. No funds reallocation required.
11	Full	City of Mitcham	SA	01-Jul-24	Yes	665	Partial Relinquishment on 1 Nov 2023 Completed. Council is relinquishing remaining services 1 July 2024. Selections pending.
12	TBA	City of Playford	SA	01-Jul-24	No	TBC	Council advice expected end of March 2024.
13	TBA	Brimbank City Council	VIC	TBC	No	TBC	Review being undertaken by Council. Outcome expected June 2024
14	Full	Buloke Shire Council	VIC	01-Jan-24	Yes	233	Completed.
15	Full	Central Goldfields Shire Council	VIC	01-Mar-24	Yes	542	Selection finalised. The Department selected three incoming providers who have all accepted.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS04

	Type	Name of provider	State	Proposed date	Confirmed	Clients (ToP)	Status
16	TBA	City of Greater Dandenong	VIC	01-Jul-24	No	TBC	Council meeting scheduled mid-Feb to determine re future of home care service provision.
17	Partial	City of Port Phillip	VIC	01-Sep-24	Yes	TBC	Confirmed partial withdrawal in next financial year. This provider may be candidate to take on Meals from City of Stonnington.
18	Full	City of Stonnington	VIC	01-Jul-24	Yes	1,491	Selections apart from Meals finalised. Six providers have been offered funding, only one pending. Selections for Meals paused when City of Port Phillip advised their own part withdrawal - may wish to take on Meals funding.
19	Full	Gannawarra Shire Council	VIC	01-Nov-23	Yes	563	Completed.
20	Full	Glenelg Shire Council	VIC	01-Oct-23	Yes	750	Completed
21	Full	Manningham City Council	VIC	01-Nov-23	Yes	1,717	Completed
22	Full	Melbourne City Council (City of Melbourne)	VIC	01-Jul-24	Yes	58	Confirmed withdrawal. Provider selections pending.
23	TBA	Moonee Valey City Council	VIC	01-Jul-24	No	TBC	Pending further advice.
24	TBA	s47E(d), s47G [redacted]					
25	Full	Swan Hill Rural City Council	VIC	01-Jul-24	Yes	520	Selection finalised. The Department selected three incoming providers who have all accepted.
26	TBA	s47E(d), s47G [redacted]					
27	Full	Whitehorse City Council	VIC	31-Jul-23	Yes	3,000	Completed.
28	Partial	Yarra Ranges Shire Council	VIC	01-Jul-24	Yes	230	Selections other than Meals finalised. Three providers have been offered funding, two have formally accepted offers, one awaiting board decision. s47E(d), s47G [redacted]

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

ADDITIONAL ESTIMATES FEBRUARY 2024

HSOB: AS04

	Type	Name of provider	State	Proposed date	Confirmed	Clients (ToP)	Status
							s47E(d), s47G [redacted] Council will retain SSD.
29	Full	City of Nedlands	WA	01-Jan-24	Yes	240	Completed.
					23/29	**10,355**	

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

ATTACHMENT B

2022-23 and 2023-24 National unit price ranges

CHSP Unit Price Range 2023-24				
Service Type	2022-23 Unit Prices		2023-24 Unit Prices	
	Minimum	Maximum	Minimum	Maximum
Allied Health and Therapy Services	$95.00	$125.00	$104.50	$131.25
Assistance with Care and Housing (Hoarding and Squalor)	NA	NA	NA	NA
Centre based Respite	$27.00	$51.00	$29.70	$53.55
CHSP Personal Care	$51.00	$68.00	$56.10	$71.40
CHSP Transport (one way trip)	$18.00	$36.00	$19.98	$38.16
Cottage Respite	$28.00	$53.00	$30.80	$55.65
Domestic Assistance	$48.00	$61.00	$52.80	$64.05
Flexible Respite	$51.00	$67.00	$56.10	$70.35
Goods, Equipment and Assistive Technology (dollars)	NA	NA	NA	NA
Home Maintenance	$53.00	$75.00	$58.30	$78.75
Home Modifications (dollars)	$1.00	$1.00	$1.00	$1.00
Meals (meals)	$7.50	$13.00	$8.25	$13.65
Nursing	$104.00	$129.00	$114.40	$135.45
Other Food Services	$25.00	$41.00	$27.50	$43.05
Sector Support and Development	NA	NA	NA	NA
Social Support Group	$17.00	$27.00	$18.70	$28.35
Social Support Individual	$39.00	$60.00	$42.90	$63.00
Specialised Support Services	$76.00	$118.00	$83.60	$123.90

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

- Assistance with Care and Housing (ACH), GEAT and Home Modifications do not have national unit price ranges:
  - ACH advocacy and assessment services transitioned to the care finder program on 1 January 2023. Hoarding and Squalor will continue to be funded through CHSP.
  - Home Modifications will continue to deliver services based on the cost in dollars and will remain capped at $10,000 (per client per financial year).
  - GEAT output measures are cost in dollars and quantity of items (purchased or loaned), noting the cap of $1,000 applies per client per year. GEAT providers will also need to report the hours of Allied Health and Therapy services associated with more complex GEAT in DEX.

OFFICIAL

SUPPLEMENTARY BUDGET ESTIMATES FEBRUARY 2025

COMMONWEALTH HOME SUPPORT PROGRAMME

MEALS ON WHEELS AND FUTURE FIT

Overarching line

1. There are conflicting views as to some of the facts about what transpired under the Future Fit program. These matters are subject to active consideration by the ANAO and the department. It would not be appropriate for the department to comment on these matters until the current investigations have concluded.

Departmental staff

The article brings to light serious concerns about potential conflicts of interest between departmental officials, Newcastle MOW (NMOW) and the CEO of Miles Morgan Australia's (MMA). Were these conflicts declared and were any gifts declared on the departments gifts and benefits register?

2. The department treats its obligations in the management of public resources very seriously and is fully participating in the ANAO's audit of the Future Fit program. We will respond to any recommendations that arise from the audit and it is not appropriate to provide comment in the interim.

Is the Department "actively hostile" towards Meals on Wheels Australia?

3. In a recent statement to members, the Chair of MoWA noted that "this is no longer a fair description or position, given that the Department has publicly acknowledged the value of social capital created by CHSP services and is positively engaging with MOWA".
4. The Department is committed to working constructively with all stakeholders including Meals on Wheels Australia.
5. The department values the MoW model which offers social supports delivered mainly by volunteers. It meets with Meals on Wheels Australia (MOWA) and the MOW state associations quarterly to discuss CHSP and broader aged care reforms.

Was the Department seeking to achieve "privatisation by stealth" of Meals on Wheels Australia?

6. No. The Future Fit project aimed to co-design, test and implement meals reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.
7. The Department had leant in to the reform of the MoW model ahead of Support at Home through the Future Fit project however this work has not gone as planned and has ceased. The department is fully participating in the ANAO audit of the Future Fit Program.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

IP Ownership

8. The department currently doesn't hold or have access to the Enterprise Resource Planning (ERP) or Future Fit software. The department's intention has always been for the software to be provided directly to a suitable entity which would take over the ownership and responsibility of the software, including hosting and ongoing maintenance.
9. Under the contract the Department had with MMA, the Commonwealth owns the intellectual property in the contract material.

If pressed:

10. IP ownership is the subject of an ongoing dispute and it would not be appropriate to comment further at this time.

If pressed:

- The Department has been approached by a third-party regarding IP issues.
- The department is considering the issues raised.

Miles Morgan Australia Pty Ltd (MMA)

11. On 17 September 2024 MMA entered into liquidation.
12. The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
13. In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.

    If pushed:

    - The department is aware of the creditors report and is considering how it intends to address the issues raised in the report and cannot comment any further at this time.
    - MMA did not notify the department of any solvency issues.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Meals Marketplace

14. The department understands the Meals Marketplace was part of the future design of the Future Fit software and was intended to enable clients to manage their meal plans with their local MOW service via an online portal. The purpose was to assist with consumer choice and improving consumer experience.
15. If pushed on Meals Marketplace Pty Ltd:
    - The department was unaware of the related Meals Marketplace entity at the time and has not had any dealings with it. Any questions in relation to the entity should be directed to the liquidators of MMA.
    - The department is aware that MMA is the ultimate holding company of Meals Marketplace Pty Ltd.

These could be seen a conflict of interest, did MMA declare any conflicts to the department?

16. No, MMA didn't declare any conflicts of interest as required under its contracts between 2021 and 2024.

Payments made under the contract

17. As standard in Commonwealth procurement contracts, the department purchased a service and did not receive detailed information about how MMA used the payments it received, including any details about payments made under MMA's subcontracting arrangements.

18. **A contract is different from a grant/funding agreement where the department would have more visibility over how funds were used and where a financial acquittal is required. MMA may have used fees to pay for legal services, but the department has no specific financial information about how the fees were spent.**

2024 Transition contract

19. The 2024 contract aimed to limit the service disruptions and ensure clients were not impacted by MMA withdrawing its support at the Whitehorse Meals on Wheels site.

Key deliverables of the 2024 contract

Deliverable	Details
Project documentation	Project plans, risk register and regular reporting.
Development of a standardised chart of accounts and accounting methodology	A standardised profit and loss statement
Standard operating procedures	Development of approximately 80 standard operating procedures
Final report	A final report to the department outlining the approach for implementing the Future Fit business model and how this could be implemented at other Meals on Wheels sites. The report includes information on: o The future fit model. o lessons and findings from implementations. o guidance for incoming providers. This report when read in conjunction with a suite of complementing procedures and support documentation could assist other

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Deliverable	Details
	meals service with adopting the Future Fit model.

Publication of the final report

20. The final report has been provided to Newcastle MOW and the Chair of MOWA. It has also been released in full through an FOI, however based on feedback from Newcastle and MOWA, the department does not believe the report, as it is currently written, will benefit the broader network.
21. The department intends on working with MOWA on how the report, the 80 standard operating procedures and the profit and loss template could be adapted to be more suitable for the MOW network.

Victorian Pilots – Whitehorse and Ballarat

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Purpose of the Victorian Pilots

22. Overall, the Victorian pilots aimed to introduce the MOW model at two sites that were previously operated under the Ballarat and Whitehorse local councils.
23. QMOW, who operate the Ballarat branch, opted to make minimal changes as the incoming provider. Their primary objective was to implement the MOW model, similar to what they deliver at their QLD branches.
24. Conversely, NMOW agreed to undertake a pilot utilising the untested Future Fit software (Enterprise Resource Planning, ERP) at Whitehorse MOW. This was supported by a supplementary workforce contracted by MMA, which trialled an alternative service-level model that focused on improving client choice while maintaining regular social connection with clients. This included:
    - The development of three price points to be affordable for different socio-economic communities.
    - Improved meal choice to cater for Culturally and Linguistically Diverse communities.
    - Increased client choice by allowing clients to choose from a range of meals and the frequency at which they receive these meals (up to five days per week).
    - Implementation of the Future Fit software (ERP) to assist with client ordering, financial management and reporting.

Funding requests and support provided to NMOW

25. NMOW's total contract value increased from $663,879 (GST exclusive) to $1.13 million (GST exclusive) as a result of taking over the Whitehorse City Council's CHSP contract for meal delivery.
26. On 25 February 2024, NMOW submitted a CHSP Ad Hoc funding proposal to assist them with responding to unforeseen and exceptional circumstances related to the Whitehorse transition.
27. On 10 April 2024, the department approved a one-off funding injection of $120,350 (GST exclusive) / $132,385 (GST inclusive) in 2023-24.
28. On 12 April 2024 NMOW requested emergency funding totalling $695,036 (GST exclusive) to:
    - re-engage and conduct welfare checks on lost client base.

- conduct a thorough audit for July 2023 to February 2024.
- address legal issues that have arisen after MMA's exit from Whitehorse.
- document legacy and current operational systems and processes.
- develop a robust plan to ensure the sustained success of the Whitehorse operation, including the use of an ERP.

29. This funding request was rejected based on the Whitehorse site projecting a significant underspend in 2023-24. The department encouraged NMOW to speak with their contract manager to determine how their underspends could be reprioritised to assist with conducting an audit, re-engaging clients and addressing any legal issues.

MMA's involvement at the Whitehorse pilot site

30. NMOW agreed to undertake a pilot and test the Future Fit software (Enterprise Resource Planning, ERP) at Whitehorse MOW. The department became aware in August 2023 that MMA had a role at the Whitehorse site. At this time, the department understood they were not involved in the business-as-usual activities e.g., organising daily meal runs, food and safety, and volunteer management. The extent of this was later confirmed, in December 2023, by the NMOW board.

Reduction in client numbers at Whitehorse

31. In 2022-23, the previous provider was only delivering on average **54%** of the funded services per month which equated to on average 336 clients per month accessing services.

32. In 2023-24, Newcastle were delivering on average **38%** of the funded services per month which equated to on average 191 clients per month accessing services.

33. Since January 2024, there has been an increase in clients receiving services at the Whitehorse site with over 302 clients accessing the service in January 2025 and an average over 4,400 meals being delivered per month.

34. The drop in clients between 2022-23 and 2023-24 may be due to a combination of many contributing factors, such as:
    - The client data obtained by NMOW, in June 2023, from the previous provider appeared to have had significant gaps - it was difficult for NMOW to ascertain the true number of CHSP clients who needed to be transitioned from the previous provider.
    - The previous provider was providing a premium service which was not viable for the MOW model, this may have resulted in clients seeking services from alternative providers when NMOW commenced. For example, Council staff would deliver meals if clients made last minute changes to their orders.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

PURPOSE OF FUTURE FIT

35. In 2021, the department established an ambitious project aiming to mitigate risks related to the viability of MOW under the new in-home aged care program.
36. Under Support at Home, MOW organisations will need to operate in a highly contestable market.
37. MoW has many individual organisations, who operate independently with their own operating model, including meals, production and delivery, prices and technology. MOW also relies heavily on a volunteer workforce.

38. This can result in inconsistencies, limitations of meal choice and inefficiencies within individual MOW organisations.
39. The Future Fit project was designed to:
    - Inform a new funding model that recognises the social value of the MOW model and address the current competitive disadvantage when compared to drop and go models.
    - Drive efficiencies within MOW organisations through technology
    - Understand the differing service methods across the MOW network, including the supply, storage, delivery and preparation of meals.
    - Understand the cost associated with the time volunteers/staff spent engaging with clients.
    - Increased variety of meal options and consumer choice by forming relationships with a range of meal suppliers, including MOW distribution centres.
40. This project provided the department with a comprehensive analysis of the baseline operating models across various MOW organisations.
41. As the project progressed, we identified a misalignment of interests and goals within the network that caused tension with some stakeholders.
42. It also came to light that there were several conflicts between key stakeholders and contractors, further complicating the management process.
43. The department acknowledges the challenges faced in the management of the Future Fit project.
44. The Auditor-General is completing an audit of the Future Fit Program and is expected to table a final report in April 2025.
45. The department is working with the ANAO and will careful consider the ANAO's recommendations on how the department can improve processes.
46. Moving forward, the department is committed to supporting meals reform as we prepare for the implementation of Support at Home.
47. The department established a quarterly forum with MOWA and state associations to assist with transparency and collaboration in relation to meals reform.
48. On 3 December 2024, Minister Wells approved a 10% funding boost to more than 500 CHSP Meals providers. All Meals providers have received a 13.5% indexation amount in their 2024-25 CHSP agreements through a Notice of Change in January 2025. Over 3 years, this is an additional $37 million dollar investment into meals services.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Number of MOW providers involved in Future Fit

49. In 2023-24, there were 33 MOW providers (82 sites), across NSW, QLD and TAS, involved in Future Fit in the context of the proposed feasibility study.

Proposed Feasibility Study

50. On 5 December 2023 the department engaged with MOWA board to confirm the approach for the feasibility study. In December 2023 the MOWA board unanimously supported that such a study be enabled by MMA, with some caveats, such as improved governance and open communication.
51. In late 2023, the department received a quote from MMA for approximately $16 million over 2 years.

Purpose of the Feasibility Study

52. The purpose of the feasibility study was to design and test new policy settings for MOW providers. The study aimed to provide an evidence base for decisions on future funding models by co-designing and implementing a feasibility study with 33 MOW providers. This study was expected to deliver near real-time data to these providers and the department during 2024-25, providing the most robust evidence base ever constructed in this area.
53. The study proposed to focus on several key areas:
    - Defining a meal and consistent reporting.
    - Quantifying the social capital of services.
    - Understanding the price of meals.
    - Standardising nutritional requirements.
54. Additionally, the study aimed to address inefficiencies in service delivery due to a lack of a fixed workforce and manual processes. It also sought to leverage the inherent value of the MOW network and implement technological and process enhancements.
55. On 31 January 2024, MMA withdrew their submission to undertake the feasibility study.

September 2024 proposal from MOWA

MOWA's September 2024 proposal

56. On 20 September 2024, MOWA submitted a proposal to continue the objectives of the Future Fit program via funding a new feasibility study looking into the sustainability of quality, nutritionally consistent and affordable meal services that deliver essential social capital. MOWA indicated this study would cost $0.986 million (GST exclusive) across 2024-26.
57. At a meeting of the Meals on Wheels and Commonwealth Forum on 11 December 2024, the Department advised MOWA that the department was unable to support the provision of funding to MOWA to support this proposal, as it did not meet the requirements of the Commonwealth Procurement Rules (CPRs).

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

KEY FACTS AND FIGURES

Contract overview

	Amount (GST Excl.)	Amount (GST Inc.)
23 December 2021 Official Order/Contract in relation to strategic business transformation advice and services Under Deed of Standing Offer	$4.99 million	$5.49 million
29 September 2022 Contract Variation: Official Order/Contract in relation to strategic business transformation advice and services	$1.42 million	$1.56 million

SUPPLEMENTARY BUDGET ESTIMATES FEBRUARY 2025

	Amount (GST Excl.)	Amount (GST Inc.)
Total of original and variation:	**$6.41 million**	**$7.05 million**
19 January 2024 Contract: Transitioning the Whitehorse Meals on Wheels operations to Newcastle Meals on Wheels	$1.53 million	$1.69 million
Total value of MMA contracts:	**$7.94 million**	**$8.74 million**

Key deliverables

Deliverable	Details
Four financial and operational stocktakes which provided a series of data insights **(2021 contract)**	• Supported the development of MoW organisation profiles based on similar traits (cooking kitchen vs non-cooking kitchen, frozen vs fresh). • Provided an analysis on demand projections. • Provided insights into time spent with clients. • Informed by approximately 200 survey responses.
A food and nutrition stocktake **(2021 contract)**	• This stocktake was informed by survey responses from approximately 200 MoW organisations and will assist with a consistent definition of a meal. • Provided a better understanding of the operational procedures followed by MoW organisations. • Informed two discussion papers that were also developed in consultation with Future Fit participants and nutritionists to determine definition of a meal. • Provided an understanding on course categories used by MoW organisations (small meal, mini main, soup, drink, dessert etc.). • Provided recommendations for optimised nutritional values (protein and weight) for each meal.

A blueprint for a digital operating model, where organisations have a standardised operating model that is supported by modern technology **(2022 contract)**	• The model looked to:
	  ○ create efficiencies through better reporting, integration with My Aged Care, food suppliers and financial software.
	  • be the architecture for the development of the secure cloud-based platform (Enterprise Resource Planning software), which provides an easy-to-use web based interface, with real time operational visibility.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HOME AFFAIRS, DISABILITY AND AGEING

Deliverable	Details
The technological build (Enterprise Resource Planning software) **(2022 contract)**	• The development of the software required significant stakeholder consultation, user testing and investigation of integration options with Aged Care Gateway.
All project documentation	• This included project plans, project management framework, risk registers
Development of a standardised chart of accounts and accounting methodology (**2024 contract)**	• A standardised profit and loss statement template.
A strengthened network of MoW providers	• The network continues to work together to share industry strengths, operational efficiencies and valuable resources.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Background

VICTORIAN PILOTS

- Meals on Wheels providers in Victoria have traditionally been Local Councils.
- In the 2022-23 FY, 9 Councils and 3 non-council providers relinquished meals services in Victoria, with 18 providers selected as incoming replacements. This included Newcastle MoW and MoW Queensland (QLD) as incoming providers for the Whitehorse and Ballarat sites, respectively.
- With a significant number of Victorian meals providers already supporting other sites who relinquished their funding in 2023-24, NMoW and QLD MoW were selected as the incoming providers at the Whitehorse and Ballarat sites, respectively.
- While selection timeframes vary, depending on a range of factors, the department does not have sufficient time to run open selection processes through a new grant opportunity. Such processes usually take more than 6 months to complete.
- This approach balanced both market diversity/depth and overarching policy objectives to deliver improved operational and funding arrangements for MOW providers.
- QLD MOW and Newcastle MOW were selected to take on the responsibility of running the Ballarat and Whitehorse pilot sites, respectively, based on their experience in running mutli/regional outlet services.
- The department did not test all existing CHSP providers delivering meals in Victoria.
- Whitehorse and Ballarat's contracted unit price ($13) reflects:
    - Unit prices associated with operational and capital costs related to the transition from a high-cost Council led service, which often cross subsidise CHSP services.
    - The higher unit price better reflects the true cost of the services in advance of future pricing considerations.
- When reviewing the transition of Whitehorse and Ballarat, a financial assessment noted the existing unit price of $8.25 did not reflect the true cost of service undertaken by the councils and therefore would not be viable under the MOW model if $8.25 was retained.

- In this case, the higher unit prices were associated with operational and capital costs related to the transition from a Council led service to the incoming providers. This included rental costs, staffing costs, service model requirements (e.g., in-house kitchen versus frozen meals), geographic location, and upgrades to assets in order to adhere to relevant rules and regulations.
- The department negotiated a unit price of $13.00, to better reflect the true cost of the services in advance of future pricing considerations, currently being investigated by the Independent Health and Aged Care Pricing Authority (IHACPA).

- While the department did not consult the state peak association, the department does not engage peaks in commercial negotiations with contract holders. As per usual processes, the department only engages existing CHSP providers to take over service delivery where another provider withdraws.

- The pilot included:
    - The development of three price points to be affordable for different socio-economic communities.
    - Improved meal choice to cater for Culturally and Linguistically Diverse communities.
    - Increased client choice by allowing clients to choose from a range of meals, the frequency at which they receive these meals (up to five days per week) and varying price options.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

CONTINUING MEALS REFORMS

- The department is currently prioritising critical work related to the CHSP 2025-27 extension, transitioning CHSP providers and clients under the new Aged Care Act by 1 July 2025, and other changes required to implement and support aged care reforms.

- Further considerations around changes to CHSP meals policies will be considered in the context of preparations for the longer-term transition of CHSP into the Support at Home program, which will not occur before 1 July 2027.

- Currently, the National Health and Medical Research Council (NHMRC) is developing dietary guidelines for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander peoples), which will form part of the review of the 2013 Australian Dietary Guidelines.

    - The revised dietary guidelines will include specific advice on the nutritional needs of older people and will be used by the public, health professionals and policy makers to inform the development of suitable meals and menus.
- In addition, the Independent Health and Aged Care Pricing Authority (IHACPA) is conducting a costing study to better understand the cost of a meal, including the social element of service delivery. IHACPA will provide government with advice on meal delivery prices (excluding the 'social element') as part of its draft advice in February 2025. Government will need to decide if this report is publicly released. The report may support future policy design for funding meal delivery in in-home aged care.
- On 3 December 2024, Minister Wells approved a 10% funding boost to more than 500 CHSP Meals providers, with a 13.5% indexation amount in their 2024-25 CHSP agreements. This results in an additional $37 million investment into meals services over three years.

- The department regularly meets with MOWA and MOW state associations to discuss meal reforms and the impacts for MOW providers. The group has met 4 times since inception in December 2023. The next meeting will be on 7 March 2025.

FOI REQUESTS

- Between 15 August 2023 to 24 February 2025, the department has received:
    - 64 FOI requests on this matter
    - 10 internal review applications
    - 18 applications for Information Commissioner (IC) review
- There have also been 8 FOI requests made to the Minister for Aged Care and Sport and 4 to the Minister for Health and Aged Care
- As of 24 February 2025, 47 FOI requests, all internal review decisions and 7 IC review applications have been finalised

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

OFFICIAL

SENATE ESTIMATES – Additional Estimates February 2025

Corporate Operations Group COO Brief
Outcome: 1 Corporate

Meals on Wheels / Future Fit Program - Corporate Brief

KEY POINTS

Future Fit Program – overview and status

- The Future Fit project aimed to co-design, test and implement meals service reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.

Future Fit Program – contracts (Aged Care)

- Between 23 December 2021 and 31 May 2024, the department contracted Miles Morgan Australia Pty Ltd to the value of $7.94 million (GST exclusive) / $8.74 million (GST inclusive) to deliver the Future Fit program under the first contract and the transition pilot site activities at Whitehorse Meals on Wheels (MOW) to Newcastle MOW under the second contract.
- These contracts have ended and the Department has no current contracts with Miles Morgan Australia Pty Ltd.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Miles Morgan Australia Pty Ltd (MMA)

- On 17 September 2024 MMA entered into liquidation.
- The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
- In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.
- The department is considering issues raised by a subcontractor of MMA.

If pressed:

- The Department has been approached by an MMA subcontractor regarding a claim of unauthorised use of its intellectual property in connection with the Future Fit Program. The Department is considering the issues raised and it would not be appropriate to comment further at this time.

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.

- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May 2024.

If pressed:

- The department is aware of allegations that two documents that fell within the scope of the Order to Produce were not produced as required. The department is examining relevant material and is working to identify and correct any issue as quickly as possible.

Freedom of Information (FOI)

- Under the FOI framework, the department has released redacted MMA contracts and emails and contract deliverables.
- Since 15 August 2023 to 12 February 2025, the department has received:
  - 59 FOI requests
  - 10 internal review applications
  - 18 applications for Information Commissioner (IC) review
- There have also been 8 FOI requests made to the Minister for Aged Care and Sport and 4 to the Minister for Health and Aged Care.
- As of 13 February 2025, 47 FOI requests, all internal review decisions and 7 IC review applications have been finalised.
- Questions about specific FOI requests should be taken on notice.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Australian National Audit Office (ANAO)

- Following a request from Senator Allman-Payne and former Senator Rice, the Auditor-General is auditing the Future Fit Program.
- As noted on the ANAO website the Audit Report is expected to be tabled in April 2025. The audit is examining:
  1. Has the department established sound governance arrangements to support the delivery of the Future Fit Program?
  2. Has the department conducted procurements for the Future Fit Program effectively?
  3. Has the department managed the Future Fit Program contracts effectively?
- Questions about the audit process and /or progress should be referred to the ANAO.

Complaints made to the department

- The department has received a number of complaints about the program.
- The department takes all complaints seriously and investigated the issues raised. Based on the information available at the time, the department did not identify issues that

required further action.

- However, the process of providing documents to the ANAO as part of their audit, brought further information to light.
- The department is now formally investigating those matters in parallel to the audit.
- ***If pressed:*** We are undertaking a formal investigation. I cannot comment on the progress of the investigation.
- It is common for us to engage independent, expert support when we undertake an investigation like this.

If further pressed:

- I will need to take that on notice. We need to consider what we can share so we don't prejudice the investigation, or breach our obligations in relation to the ANAO Audit.

Departmental staff - if asked specific questions regarding Code of Conduct or other investigations

- The department is aware of allegations against staff in relation to the management of the Future Fit program.
- The department takes all allegations regarding staff misconduct seriously and these allegations have been referred to the relevant area of the department.
- The department does not comment on individual staff matters, including whether staff may or may not be under investigation.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Fraud/Corruption allegations:

- The department is aware of concerns related to the Future Fit contracts and alleged fraudulent activity. These concerns have been referred to the relevant area in the department.
- The department does not comment on matters which may or may not be under investigation.

Specific NACC referral questions:

- The department cannot comment on whether specific matters have been referred to the NACC or are the subject of investigation.
- The NACC has indicated it will not comment on whether or not specific matters have been referred or are being investigated. It would not be appropriate for the department to do so either.

CDDA Claims

- The Department has received (3) applications for compensation under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA).

- The department is considering these claims in accordance with the Scheme rules set out in *Resource Management Guide No. 401: Requests for discretionary financial assistance under the Public Governance, Performance and Accountability Act.*
- It would not be appropriate to comment on applications that are under current consideration.

Privacy

- The Department received (2) privacy complaints associated with the Future Fit program.
- Each complaint was investigated and finalised in accordance with the department's procedures for managing privacy complaints.
- It would not be appropriate to comment on individual complaints.

Contact: Narelle Smith

Cleared by:

Date cleared: Last update 25 February

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

SENATE ESTIMATES - Budget Estimates March 2025

Corporate Operations Group FAS Briefs
Outcome: Whole of Portfolio

Meals on Wheels / Future Fit Program

KEY POINTS

Future Fit Program – overview and status

- The Future Fit project aimed to co-design, test and implement meals service reforms to improve the wellbeing of older people, focusing on meal quality, choice, and social support.

Future Fit Program – contracts (Aged Care)

- Between 23 December 2021 and 31 May 2024, the department contracted Miles Morgan Australia Pty Ltd to the value of $7.94 million (GST exclusive) / $8.74 million (GST inclusive) to deliver the Future Fit program under the first contract and the transition pilot site activities at Whitehorse Meals on Wheels (MOW) to Newcastle MOW under the second contract.
- These contracts have ended, and the Department has no current contracts with Miles Morgan Australia Pty Ltd.

Miles Morgan Australia Pty Ltd (MMA)

- On 17 September 2024 MMA entered into liquidation.
- The department is working with the liquidators from RSM Australia to resolve some outstanding matters in relation to MMA's subcontracting arrangements, and the ownership of intellectual property under the contracts.
- In relation to the allegations made about MMA trading while insolvent, this is a matter for the liquidators.
- The department is considering issues raised by a subcontractor of MMA.

If pressed:

- The Department has been approached by an MMA subcontractor regarding a claim of unauthorised use of its intellectual property in connection with the Future Fit Program. The Department is considering the issues raised and it would not be appropriate to comment further at this time.

Senate Orders to Produce Documentation (OPD)

- On 16 November 2023, a motion requiring the department to table documents relating to the Future Fit Program and MMA was submitted. Documents were tabled on 20 December 2023.
- On 15 February 2024, another motion was submitted requiring the department to table documents relating to intellectual property created under the Future Fit Program. The documents were tabled on 14 May 2024.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

If pressed:

- The department is aware of allegations that two documents that fell within the scope of the Order to Produce were not produced as required. The department is examining relevant material and is working to identify and correct any issue as quickly as possible.

Freedom of Information (FOI)

- Under the FOI framework, the department has released redacted MMA contracts and emails and contract deliverables.
- Since 15 August 2023 to 12 February 2025, the department has received:
    - 59 FOI requests
    - 10 internal review applications
    - 18 applications for Information Commissioner (IC) review
- There have also been 8 FOI requests made to the Minister for Aged Care and Sport and 4 to the Minister for Health and Aged Care.
- As of 13 February 2025, 47 FOI requests, all internal review decisions and 7 IC review applications have been finalised.
- Questions about specific FOI requests should be taken on notice.

Australian National Audit Office (ANAO)

- Following a request from Senator Allman-Payne and former Senator Rice, the Auditor-General is auditing the Future Fit Program.
- As noted on the ANAO website the Audit Report is expected to be tabled in April 2025. The audit is examining:
    1. Has the department established sound governance arrangements to support the delivery of the Future Fit Program?
    2. Has the department conducted procurements for the Future Fit Program effectively?
    3. Has the department managed the Future Fit Program contracts effectively?
- Questions about the audit process and /or progress should be referred to the ANAO.

Complaints made to the department

- The department has received a number of complaints about the program.
- The department takes all complaints seriously and investigated the issues raised. Based on the information available at the time, the department did not identify issues that required further action.
- However, the process of providing documents to the ANAO as part of their audit, brought further information to light.
- The department is now formally investigating those matters in parallel to the audit.

If pressed:

- We are undertaking a formal investigation. I cannot comment on the progress of the investigation.
- It is common for us to engage independent, expert support when we undertake an investigation like this.

If further pressed:

- I will need to take that on notice. We need to consider what we can share so we don't prejudice the investigation, or breach our obligations in relation to the ANAO Audit.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Departmental staff - if asked specific questions regarding Code of Conduct or other investigations

- The department is aware of allegations against staff in relation to the management of the Future Fit program.
- The department takes all allegations regarding staff misconduct seriously and these allegations have been referred to the relevant area of the department.
- The department does not comment on individual staff matters, including whether staff may or may not be under investigation.

Fraud/Corruption allegations:

- The department is aware of concerns related to the Future Fit contracts and alleged fraudulent activity. These concerns have been referred to the relevant area in the department.
- The department does not comment on matters which may or may not be under investigation.

Specific NACC referral questions:

- The department cannot comment on whether specific matters have been referred to the NACC or are the subject of investigation.
- The NACC has indicated it will not comment on whether or not specific matters have been referred or are being investigated. It would not be appropriate for the department to do so either.

CDDA Claims

- The Department has received (3) applications for compensation under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA).
- The department is considering these claims in accordance with the Scheme rules set out in Resource Management Guide No. 401: Requests for discretionary financial assistance under the Public Governance, Performance and Accountability Act.
- It would not be appropriate to comment on applications that are under current consideration.

Privacy

- The Department received (2) privacy complaints associated with the Future Fit program.
- Each complaint was investigated and finalised in accordance with the department's procedures for managing privacy complaints.
- It would not be appropriate to comment on individual complaints.

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 BY THE DEPARTMENT OF HEALTH, DISABILITY AND AGEING

Contact: Narelle Smith

Cleared by:

Date cleared: Last update 25 February