



Regulation Benchmarking Study: Food Safety
Productivity Commission
GPO Box 1428, Canberra City
ACT 2601 Australia

18 June 2009

Australian Meals on Wheels

70 Greenhill Road
Wayville SA 5034
T 08 8271 8700 F 08 8271 1605
E amowa@mealsonwheelssa.org.au
PO Box 406 Unley SA 5061
www.mealsonwheels.org.au

Dear Sir / Madam,

The Australian Meals on Wheels Association (AMOWA) makes the following comments in response to the Productivity Commission performance benchmarking on burdens on business arising from food safety regulation.

1. The Australian Meals on Wheels Association (AMOWA) represents State and Territory Meals on Wheels' organisations that embrace 750 local services; 80,000 volunteers; 50,000 clients and hundreds of paid staff. Our clients are mainly house-bound frail aged and their carers who cannot cook or shop for themselves and require delivered meals and personal contact to live at home.
2. Across Australia, Meals on Wheels relies very heavily on volunteers and could not carry out its function at current service levels without volunteers.
3. AMOWA is speaking primarily for the volunteer element of the not for profit sector. It also recognises the important role of paid staff in services around the nations.
4. Whilst each State and Territory has unique and specific issues, AMOWA seeks to comment at high level recognising these differences. Much of the comment relates to food safety programs and their implementation and on-going administration within a primarily volunteer setting. (This would similarly apply to delivered meal labelling issues ahead which is an even more complex area).
5. The purpose of Meals on Wheels is to provide nutritious meals and personal contact to clients to help them live at home in their community. This purpose is aligned with and supports Government policy to enable older people to live at home as long as possible.
6. Federal and State Governments through the Home and Community Care program (HACC) provide some 20%-30% of funding for Meals on Wheels' Services depending on the State or Territory which equates to about \$30 million nationally. The balance comes mainly from meal sales to clients with additional income from investments and donations. Each State and Territory Government administers the HACC program in its own way. HACC Service Agreements also prescribe service standards, outputs, data collection, continuous improvement and other related requirements in order to secure funding.
7. The economic value of Meals on Wheels to the nation is over \$300 million each year - that is what it would cost government to staff an operation that provided similar levels of service. This includes an estimated 8 million voluntary hours per annum provided by volunteers. This does not take into account the economic benefits that preventative care also affords – reduced hospital and aged care admissions and the like.

8. Thus, Government receives an enormous return on the funding it makes to Meals on Wheels. This needs to be recognised in the matter of regulatory burden simply because the current situation provides this benefit to government and community and regulatory burden has the risk of not just additional cost to the existing 'modus operandi' but the real cost of a 'replacement' system for the community sector in the event that such regulatory burden resulted in volunteers withdrawing from this arena of care.
9. In this regard, AMOWA advocates that regulations that have direct effect on the volunteer sector should have some form of volunteer impact evaluation made to ensure the full cost and risks are incorporated into policy formulation.
10. That is, there is a greater societal risk if organisations like Meals on Wheels which are very heavily dependent on volunteers retreat due to the burden of regulation and in so doing create a larger absolute risk to community in general as a result of their retreat than would have existed in the absence of the intended regulation in the first place. In that regard legislative progress should be cautious and closely involve the sector so it can build capacity at every step before being propelled to the next level of managerial or bureaucratic aspiration.
11. By way of commercial analogy, Government, as a minority shareholder, achieves significant and disproportionate control of operations relative to other shareholders and key stakeholders such as volunteers who underpin and carry out the provision of the service. Therefore, regulation in this dynamic should take this 'starting point' into account.
12. Government should consider the impact of any proposed legislative and regulatory changes on the volunteer sector to ensure the cost benefit analysis takes into account the volunteer element of service provision and the real cost involved in training, monitoring or employing paid staff to ensure compliance can be achieved.
 - For example, in South Australia, the introduction of Food Safety Programs resulted in additional recurrent staffing costs of \$60,000 pa or 5 cents per meal equivalent to clients. There was good co-operation with the State Department of Health in planning and implementation but the on-going cost is still borne by Meals on Wheels. Given our frail aged client base are primarily on pensions and there is a desire to keep meals affordable, this cost and others like it eg OHSW are absorbed – but eventually they must be passed on and meal price to clients increase and the very people who should eat more to maintain their nutrition eat less and get sick and end up in hospital at significantly greater cost to the community. As most volunteer organisations are purpose or need driven there is not a rationale to 'grow' the business but rather to meet a need and hence as fixed costs rise the unit price also increases because there is not a logical need to 'grow the business' for its own sake.
13. In regard to food safety for Meals on Wheels it is also salient to observe that throughout Australia, Meals on Wheels had (and has) an exemplary record – that is, the increased regulatory effort was not addressing a failure in the specific area of community service that Meals on Wheels was working in. Whilst under increasing regulation improvements have no doubt been made (and indeed were being made as part of good practice) for rank and file volunteers there is a sense of whose problem are they being asked to fix?
14. Notwithstanding the above comments, AMOWA recognises the need for continuous improvement in our sector to ensure service delivery meets changing client needs. We seek to work with Government in a collaborative and consultative manner "so we can keep the baby and still change the bath water".

Information about Meals on Wheels

15. Meals on Wheels is part of the not for profit Sector and also part of the Community Care and Primary Health Care Sector (including nutrition) as well as part of the Formal Volunteer Sector. That is, it overlaps several sectors but does not fit neatly or exclusively into just one.
16. Meals on Wheels has a clear purpose and is part of the broader community and volunteer sectors in which it works. It is independent and accountable to the community it seeks to serve. It is supported by all tiers of Government in the tasks that it fulfils. Meals on Wheels believes in transparency of process and transaction so that all stakeholders are clear about our purpose, our values, our governance, our work and our finances.
17. Meals on Wheels' volunteers and perhaps volunteering in general is about doing a job or task or activity and then 'going home' – it is about beliefs and values being expressed through actions and most often at a local level. Part of our organisational aim is to create an environment that fosters and facilitates this process to make it easy, straightforward and uncomplicated for people to volunteer and make a meaningful and worthwhile contribution to their local community.
18. Meals on Wheels is both effective and efficient. Meals on Wheels is more than just an arm of Community Care. Meals on Wheels is also about a community that cares. At Meals on Wheels it is as much about what we do - delivered meals, personal client contact and follow up, as it is about the way we do it - as part of our local communities: providing the glue and connections that make them strong. Meals on Wheels is not just a meal service it is also a service that by its very volunteer nature builds and sustains communities.
19. Meals on Wheels is part of the formal Community Care sector which is part of a continuum of care through the hospital, health, ageing, community and disability sectors.

Yours sincerely,

Leon Holmes
President Australian Meals on Wheels Association