



Meals on WheelsTM Australia

Submission on Independent Health & Aged Care Pricing Authority (IHACPA) Consultation Paper on the Pricing Framework for Australian Support at Home Aged Care Services 2027-28

10 April 2026

Who Are We?

Meals on Wheels AustraliaTM (MoWA) is the national peak body representing over 590 individual Meals on Wheels (MoW) outlets that provide meals to around 200,000 older Australians. MoW services represent one of Australia's largest users of voluntary labour, with over 35,000 active volunteers involved in meal delivery and social engagement with older people.

We have answered the questions of most relevance to MoW services.

We note that the recent Iran war has had a significant impact on the costs that MoW services are incurring. We have written to the Government seeking some short-term funding relief see <https://mealsonwheels.org.au/news/meals-on-wheels-australia-calls-for-urgent-funding-support-as-fuel-costs-surge/> . It remains to be seen how long the increase in fuel prices lasts. IHACPA will need to monitor this in its advice about indexation levels for the coming year.

Consultation questions:

What cost pressures and supporting data and evidence should IHACPA consider when developing the pricing approach for the transition of the Commonwealth Home Support Program (CHSP) to the Support at Home program?

MoWA opposes the merger of CHSP into the Support at Home (SaH) Program. We are a foundation member of the CHSP Alliance, which is promoting retention of CHSP and its transformation into a primary care tier of the aged care system. See the Alliance's position statement - https://mealsonwheels.org.au/wp-content/uploads/2026/03/CHSP-Alliance-Position-Paper_Published-March-2026-1.pdf .

When considering the different cost structures in CHSP and SaH, it is important to recognise the differences between a grant-funded program and an individual budget holder program. The individual funding model is inherently more expensive to run than the grant funding model. A recent examination of meal costs across SaH versus CHSP found that they were on average 40% more expensive in SaH. We have enclosed the data supporting this as an attachment.

The main reason for the higher cost is the higher administration costs of operating in the SaH Program, such as managing individual budgets and lodging claims with Services Australia. Care management costs are on top of the meal price.

For meals services, the full cost of preparing and delivering the meals must be included. This includes the capital costs of kitchens and equipment; wages and on costs for paid staff; volunteer support costs; volunteer fuel reimbursements; client onboarding and support costs; food safety costs; social welfare checks (a value rather than a cost); preparing special meals; Aged Care Rules meal requirement costs such as dietitian reviews; other regulatory compliance; administration; cost of service innovation designed to improve the efficiency and effectiveness of service delivery; professional support costs (legal, audit, etc.); peak body support costs (regulatory, food safety, IR marketing etc.). Under both SaH and CHSP, the cost of ingredients is paid for by the participant/client.

In the MoW service model, as well as delivering the meal, the volunteer conducts a welfare and general wellness check. If any significant concerns the member service can contact the client's designated family member or friend. This pre-emptive, informal health triage service provides improved health outcomes for the client - and saves the government considerable associated costs in these areas. Many of our clients have limited social contact during the week, and our volunteers are the only people they see regularly. MoW directly addresses the significant issue of loneliness and social isolation within our older and vulnerable population - and saves the government considerable associated costs in these areas. Huber Social conducted research for MoWA which measured the social impact of volunteer-delivered meals, see https://mealsonwheels.org.au/wp-content/uploads/2023/05/HS_MoWA-Social-Impact-Report-2023.pdf.

The Huber research found that volunteer visits varied in time: 53% of visits took less than 2 minutes, while 39% took between 2-10 minutes. Clients receiving visits of more than 2 minutes had 3% higher wellbeing than those whose visits were shorter. There were particular benefits for older people living alone.

Compared to services in metropolitan areas, what cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided in rural and remote locations?

For meals services, the major additional cost in rural and remote areas is the impact of travel costs. These have been highlighted during the current fuel crisis caused by the conflict in the Middle East. Extra travel costs affect MoW services in two ways. First, the obvious impact on the fuel costs of our volunteers who deliver the meals. Second, the less obvious impact on the food supply chain costs being passed onto MoW services.

There are also the generally higher costs of operating in regional and remote areas, e.g. to get kitchen equipment serviced or to access dietitian services. Some regional MoW services are experiencing a shift from peppercorn leases or no cost leases to full commercial rents. The increases see rents rise from \$0 or \$1 peppercorn rental agreements to \$60-70k commercial leases. This has been a particular issue in NSW.

What cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided for people from Aboriginal and Torres Strait Islander communities?

MoW services providing meals to Aboriginal & Torres Strait Islander communities face additional costs to source and prepare culturally appropriate meals. Social and economic disadvantage experienced by First Nations people often adds to the costs of operating and reduces their ability to pay for services. Of course, many First Nations communities are located in regional and remote areas, so attract those cost pressures as well.

What cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided for people with diverse backgrounds and life experiences?

MoW services are supporting a growing percentage of people with diverse backgrounds, challenging life experiences, and varying functional needs, e.g. frailty, disability, poverty, complex dietary requirements, etc. We face higher costs with these groups due to sourcing certified ingredients (e.g. halal or kosher), specialised preparation processes, and reduced economies of scale. Additional pressures include competency training around cultural and/or personal sensitivities, and more complex logistics arising from low-volume, diverse demand. IHACPA should also consider such cost differentials in inputs, workforce, certification, and delivery, which can be supported by financial and operational data.

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Attachment



Senate Community Affairs References Committee

Inquiry: Transition of the Commonwealth Home Support Programme (CHSP) to Support at Home (SAH)

Hearing date: Friday, 6 February 2026

Question on notice (Senator Ruston): Unpack the difference between the "actual cost" (taxpayer-funded cost) of Meals on Wheels delivered under CHSP versus Support at Home (regardless of funding mechanism).

Thank you to Senator Anne Ruston for the question on notice regarding the actual cost of Meals on Wheels delivered via CHSP compared with Support at Home (SaH). In the absence of a nationally consistent chart of accounts and data collection across the Meals on Wheels network, the information available is a best estimate based on examples provided by individual services. That said, **we are confident in concluding that the actual cost of Meals on Wheels delivered via SaH is at least 40% to 50% higher than CHSP for an equivalent meal.** There is some variation due to local factors (including geography and delivery model), and examples to illustrate these differences are included in the Appendix.

MoWA notes that the indicative pricing benchmarks also show a higher expected price under SAH compared with CHSP. The CHSP indicative price range for meal-related services is \$9.59 - \$15.86, whereas the Support at Home indicative price is \$15, with a reported indicative range of \$11 - \$22. The indicative benchmarks suggest Support at Home pricing is higher than CHSP for delivered meals.

In summary, under CHSP, meals are delivered through a lower-cost community model supported by Commonwealth subsidy and local client contributions. Under SaH funded arrangements, meals are typically sold at or near full cost through SAH provider invoicing and associated provider agreements, which results in higher per-meal pricing for the same service outcome.

Impacts and urgency

Meals on Wheels Australia (MoWA) also wishes to emphasise that merging CHSP into SaH would place a significant number of Meals on Wheels services at risk of non-viability. With approximately 590 independently run community services, many small, volunteer-led and operating in thin markets, shifting to the administrative and financial settings of SaH would likely cause some services to reduce coverage or close. The impact would be felt nationally, but disproportionately in rural, remote and other vulnerable communities where there are limited alternatives.

MoWA further stresses that a decision on CHSP's future is urgently required. Ongoing uncertainty is driving anxiety among older clients who depend on Meals on Wheels and increasing distress and frustration among staff and volunteers. CHSP services including Meals on Wheels have been neglected and devalued over the past decade; further delay risks reinforcing a perception that these essential preventive supports are not valued.

Illustrative example 1 - Bega Valley Meals on Wheels (regional/rural NSW)

Bega Valley Meals on Wheels provided the following example for a meal comprising of soup, main and sweet. For the purposes of responding to the Committee's question about taxpayer funded cost, MoWA compares the Commonwealth-funded component under CHSP with an illustrative Support at Home (SaH) scenario, using Bega's figures and a transparent assumption about participant contributions under SaH.

Figures provided by Bega Valley Meals on Wheels:

- CHSP Commonwealth subsidy: \$15.74 per meal (includes remote area subsidy/loading)
- SaH price charged to a package provider (full cost): \$33.10 per meal
- Illustrative SaH participant contribution (full pensioner rate): \$5.79 (17.5% of \$33.10)
- Note: Meals are categorised as Everyday Living under SaH, so participant contributions may be higher depending on the person's means assessment (up to 80%)
- Implied Commonwealth component under SaH (illustrative): \$27.31 per meal (\$33.10 - \$5.79)
- Exclusive of the 10% administration fee that SAH providers charge in addition

Table 1: Commonwealth component (same meal)

Item	CHSP	SAH (illustrative)
Full price (3 course meal) used in example		\$33.10
Client contribution used in example (17.5% full pensioner rate)		\$5.79
Commonwealth funded component	\$15.74	\$27.31
Difference (SAH - CHSP)		+\$11.57 per meal

On this example, the Commonwealth-funded component under Support at Home is \$11.57 higher per meal than the CHSP subsidy for the same meal (approximately 73% higher than \$15.74).

Table 2: Scaled impact (Bega Valley Meals on Wheels example)

Volume	CHSP Commonwealth Cost (\$15.74/meal)	SAH Commonwealth Cost (\$27.31/meal)	Additional cost to Commonwealth under SAH
100 meals	\$1,574	\$2,731	\$1,157
20,000 meals	\$314,800	\$546,200	\$231,400

Illustrative example 2 - Blayney Meals on Wheels (NSW)

Blayney Meals on Wheels provided the following example for a meal comprising soup and main.

For the purposes of responding to the Committee's question about taxpayer-funded cost, MoWA sets out the CHSP unit amount alongside the price charged to Support at Home (SaH) package providers for an equivalent soup and main outcome. MoWA also notes Blayney's advice regarding SaH provider on-charging practices, where meals may be itemised and charged separately.

Blayney Meals on Wheels figures provided

- CHSP unit cost (soup + main): \$14.00
- Price charged to SaH providers (soup + main): \$26.00
- SaH provider on-charging observed by Blayney: meals being sold as separate units at approximately \$20–\$22 per unit, varying by SaH provider.

Table 1: Blayney MoW comparison (soup + main)

Item	Amount
CHSP (soup + main)	\$14.00
Blayney price to SaH provider (soup + main)	\$26.00
SaH provider on-sell (itemised)	\$20 - \$22 per unit
SaH on-sell for soup + main (2 units)	\$40 - \$44

Illustrative example 3 - Biloela Meals on Wheels (QLD)

Biloela Meals on Wheels provided the following information for Meals on Wheels delivered under CHSP and under a Support at Home-style associated provider agreement arrangement.

For the purposes of responding to the Committee's question about taxpayer-funded cost, MoWA sets out what is known from the local information provided, noting that the CHSP Commonwealth subsidy amount was not provided (only that it is the "lowest/base rate" for meals). Accordingly, this example is primarily useful to illustrate pricing structure and on charging under package funded arrangements, rather than a like for like Commonwealth component calculation.

Biloela Meals on Wheels figures provided

CHSP (Biloela)

- Client contribution: \$10.20
- CHSP subsidy: "lowest (base rate) CHSP subsidy for meals" (*amount not provided*)

Support at Home-style arrangement (associated provider agreement)

- Client pays to Meals on Wheels (raw food component): \$5.75
- Package provider invoiced by Meals on Wheels: \$13.42 per meal (ex GST)
- Package provider on-charges to the client (BlueCare invoice extract): \$14.76 per meal

Table 1: Pricing structure comparison (Biloela MoW example)

Item	CHSP	SAH (illustrative)
Amount paid by client to Meals on Wheels	\$10.20	\$5.75 (raw food component)
Amount invoiced to package provider by Meals on Wheels		\$13.42 (ex GST)
Amount on-charged to client by package provider (BlueCare)		\$14.76 per meal
CHSP Commonwealth subsidy	"base/lowest rate" (<i>not provided</i>)	n/a

Notes on interpretation

- Under the **associated provider agreement**, the Meals on Wheels service receives payment through a **split arrangement** (raw food component paid by the client + provider invoice), and the package provider may then **on-charge** a separate amount to the client.
- This example illustrates that **what the client sees on a package provider invoice may differ** from what the Meals on Wheels service receives for the meal (and may reflect additional costs or pricing settings applied by the package provider).
- A direct comparison of the **taxpayer-funded component** between CHSP and SaH cannot be calculated from this example alone without the **CHSP Commonwealth subsidy amount** for Biloela and confirmation of the **SaH participant contribution rate** applying to the individual client.

Illustrative example 4 - Ballarat Meals on Wheels (VIC)

Ballarat MoW provided information on meal pricing under a Support at Home-style provider arrangement and an associated provider agreement / HCP-style pricing schedule. The key feature of this example is that meals may be charged as separate line items per component (e.g., soup, dessert, sandwich, main), which can materially affect total cost for multi-course meals.

Ballarat MoW figures provided:

Support at Home provider (Ballarat)

- SaH provider charge: \$18 per item listed on the invoice (e.g., soup, dessert, sandwich, main meal).

Associated provider agreement / HCP-style pricing schedule (as provided)

- The schedule below shows a split charging model between client “raw food” and provider invoice amounts (ex GST).

Table 1: SaH pricing approach – Ballarat Meals on Wheels

Item	SaH provider charge
Per item (soup / dessert / sandwich / main)	\$18.00

Implication: A multi course meal is charged as multiple “items” (e.g., main + soup + dessert), depending on how the service is itemised.

Table 2: Associated provider agreement / HCP-style pricing schedule (Ballarat example)

Funding type	Main meal only	Individual item (dessert / soup / sandwich / fruit)	2-piece package (main + soup or dessert)
SAH	Client (raw food): \$3.75 Provider: \$11.25 (ex GST)	Client (raw food): \$5.00 Provider: \$15.00 (ex GST)	Client (raw food): \$8.15 Provider: \$18.15 (ex GST)

Notes on interpretation

- This example highlights that under SaH-style itemisation, a “meal” may not be charged as a single bundled service; instead it can be billed as multiple components (e.g., \$18 per item), which can increase total cost for a multi-course outcome.
- The SAH schedule illustrates a different model where costs are split between the client raw food component and the provider invoice amount, with some bundled options (1-piece, 2-piece) and some per-item pricing.