

SENATOR JANET RICE

Greens Senator for Victoria



ELECTORATE OFFICE

Shop 2-3, 26 Lygon St
Brunswick East VIC 3057
P: (03) 9381 1446

SENATE OFFICE

Parliament House
Canberra ACT 2600
P: (02) 6277 3225

Ms Rona Mellor PSM
Acting Auditor-General
GPO Box 707
Canberra ACT 2601
via email: ag1@anao.gov.au

27 March 2024

Dear Ms Mellor,

We are writing to request you conduct an audit of the contract between Miles Morgan Australia and the Department of Health and Aged Care to deliver the Future Fit program.

In December 2021 the Department of Health and Aged Care (DHAC) entered into an almost \$5.5 million contract with Miles Morgan Australia (MMA) to deliver the Future Fit program ([CN3839409](#)). The purpose of the program was to undertake and deliver a business transformation project aimed at improving the capability and structure of Meals on Wheels Australia and the Meals on Wheels Network. In October 2022, an additional \$1.5 million was committed by DHAC for the extension of the contract to the 31st of December 2023 ([CN3839409-A1](#)).

Serious concerns have been raised with Senator Rice's office regarding MMA's performance of the contract with DHAC and their behaviour towards individuals and organisations involved in the Future Fit program, including Meals on Wheels services. Members of the Meals on Wheels network have also written to the Finance and Public Administration References Committee to raise their concerns about MMA's behaviour and DHAC's management of the Future Fit program.

A key deliverable of the contract between MMA and DHAC was the development and replacement of the Meals on Wheels Network's primary Client Resource Management (CRM) software, which according to the amended contract, was due 21 September 2023. Senator Rice's office has heard reports from Future Fit participants that they have not seen nor used the CRM technology developed by MMA. We have also heard allegations that ownership of the Intellectual Property (IP) of the CRM was not held by DHAC, but rather by MMA and the company was refusing to transfer access. At [Additional Estimates on the 15th of February 2024](#), when asked about ownership of IP of assets created with Future Fit, DHAC stated they do not own all of the IP and it was unclear what ongoing licensing costs would be at the conclusion of the contract with MMA.

The contract between MMA and DHAC also included formal engagement with subject matter experts or SMEs on the delivery of the program. At Additional Estimates, it was revealed that MMA had failed to pay at least one SME for their services.

 (03) 9381 1446

 senator.rice@aph.gov.au

 janet-rice.greensmps.org.au

 /janet.rice.greens

 janet_rice

 janetricegreens

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In March of 2023, the Commonwealth Government launched the \$2.2 million Future Fit pilot program in the local government areas of Whitehorse and Ballarat and engaged Meals on Wheels Newcastle and Queensland to deliver services in these areas. Senator Rice's office had been contacted by numerous people alleging that MMA was running the operations of the pilot program at Whitehorse Meals on Wheels, despite Meals on Wheels Newcastle receiving funding as a Commonwealth Home Support Provider (CHSP) approved entity.

At Additional Senate Estimates on 15th of February 2024, DHAC told the Senate Community Affairs Committee that MMA decided to exit the Future Fit program at the end of the contract and that the Department had entered into a \$1.6 million supplementary contract with MMA from mid-January to 9th of March 2024. DHAC told the Committee that this money was to "ensure smooth transmission for Meals on Wheels Whitehorse, away from the intensive assistance that was being delivered through the Miles Morgan arrangements..," hence seemingly confirming allegations of MMA's inappropriate involvement in operational activities of Whitehorse Meals on Wheels. On the 27th of February, this supplementary contract was published on the Austender website, indicating that the contract had been extended to the 31st of May ([CN4036947](#)).

As of the 25th of March the [Future Fit website](#), including access to the Whitehorse site, has been made private and can no longer be publicly accessed, despite the pilot program continuing in Ballarat and Whitehorse. It is alarming that despite MMA being paid an additional \$1.6 million for a smooth transition, the public, and potentially, clients aren't able to access the website and seek information on the program and Whitehorse service.

We have also heard allegations that MMA has been sending legal letters threatening legal action to various parties involved in Future Fit, including but not limited to individuals involved in the Meals on Wheels services. At Additional Estimates, DHAC also confirmed that they had received a letter on the day of the hearing requesting the Department be more "circumspect in the way in which our department engages with them in relation to freedom-of-information requests lodged by members of the Meals on Wheels network."

Given the evidence presented in Additional Estimates and other allegations, it is unclear if MMA has fulfilled the key objectives of its contract with DHAC and how a total of almost \$11 million of government funding for the Future Fit program has been spent. We therefore ask you to consider undertaking an audit of MMA's contract performance and DHAC's management of the Future Fit

☎ (03) 9381 1446

✉ senator.rice@aph.gov.au

👉 janet-rice.greensmps.org.au

📘 /janet.rice.greens

🐦 janet_rice

📷 janetricegreens

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project, including potentially allowing a non-CHSP approved entity to service vulnerable clients in the Whitehorse pilot program.

Thank you for your consideration of this important matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Janet Rice', written in a cursive style.

Senator Janet Rice

Australian Greens Senator for Victoria

A handwritten signature in black ink, appearing to read 'Penny Allman-Payne', written in a cursive style.

Senator Penny Allman-Payne

Australian Greens spokesperson for Older
Australians

(03) 9381 1446

senator.rice@aph.gov.au

janet-rice.greensmps.org.au

/janet.rice.greens

janet_rice

janetricegreens