



# Submission to

## Senate Standing Committee on Community Affairs

Supplementary submission on the Aged Care  
Legislation Amendment (Financial Transparency) Bill  
2020

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April 2021

submission

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## Introduction

The Queensland Nurses and Midwives' Union (QNMU) thanks the Senate Standing Committee on Community Affairs for the opportunity to provide a supplementary submission regarding the *Aged Care Legislation Amendment (Financial Transparency) Bill 2020* in light of the recently released recommendations of the Royal Commission into Aged Care Quality and Safety (the Commission).

Nursing and midwifery is the largest occupational group in Queensland Health (QH) and one of the largest across the Queensland government. The QNMU is the principal health union in Queensland covering all classifications of workers that make up the nursing and midwifery workforce including registered nurses (RN), midwives, nurse practitioners (NP) enrolled nurses (EN) and assistants in nursing (AIN) who are employed in the public, private and not-for-profit health sectors including aged care.

Our 65,000 members work across a variety of settings from single person operations to large health and non-health institutions, and in a full range of classifications from entry level trainees to senior management.

The QNMU has long campaigned for the aged care sector to be person-centred and not profit focused and supported the call for a Royal Commission into the sector. The establishment of the Commission has heard shocking evidence about the lack of person-centred care, neglect and mistreatment of some who live in residential aged care facilities. The Commission has been justifiably scathing of this abuse and has recommended financial transparency as a necessary requirement in its review of Australia's aged care sector. The 148 recommendations released in the Commission's final report *prima facie* provides a comprehensive blueprint for dealing with the many structural issues currently affecting the aged care sector.

The QNMU believes there is no credible argument against the urgent need for the federal government to implement a regulatory system where residential aged care providers must comprehensively account for how they spend government funding. This measure will provide a clear view of what providers are spending taxpayers' funds on in the provision of care to older Australians receiving aged care services. We believe this bill is a step in the right direction in protecting the safety of aged care residents and enabling the visibility of where providers choose to spend government subsidies which constitute the bulk of their revenue.

However, the QNMU believes that selective or partial implementation of the Commission's recommendations will constitute a failure to grasp this historic opportunity to structure a sustainable, safe and high quality aged care system. We therefore urge the Committee to review the Commission's wide ranging recommendations relevant to this legislation with a view to facilitating and supporting the development of an aged care system that is fit for purpose.

## Recommendation

### The QNMU recommends

- That the Committee consider and incorporate relevant recommendations from the Royal Commission into Aged Care Quality and Safety into this legislation to facilitate a more comprehensive, rather than piecemeal, approach to the underlying aims of this bill and reform of the aged care sector more broadly.

## Background

As a state branch of the Australian Nursing and Midwifery Federation (ANMF), the QNMU acknowledges that the recent Royal Commission is the latest in a long line of inquiries, reports and sundry investigations over many years into a progressively failing aged care sector. Sadly, this is not a failing system for those individuals and organisations that profit from the largely privatised sector with little apparent scrutiny or regulatory control. Rather, it is a malfunction of an essential social support system that has failed to meet the care needs of many older Australians in a safe and high quality way.

In its submission of July 2020 to the Committee, the QNMU clearly articulated its view that there must be transparent reporting of how the considerable public funds given to a predominately privatised aged care sector are spent and on what. The QNMU would argue that the currently opaque and anaemic reporting requirements of aged care providers across a range of areas such as safety, quality, operational and financial performance have contributed to the current aged care crisis and simply highlights the adage “you can’t manage what you can’t measure”.

As identified by the Commission, fiscal issues have been the primary driver of service delivery rather than access, adequacy and equity. This must stop. In response, the Commission has argued that a universal entitlement based on need must replace the current situation where financial issues are paramount. The QNMU would posit the current arrangements have led to the many structural issues apparent in the sector including:

- Almost universally inadequate staffing and skill-mix to meet the care and safety needs of those accessing aged care services both community based and in nursing homes.
- Lack of primary care and clinical capacity to meet the often complex care need of older Australians, particularly in the residential setting where the numbers of registered and enrolled nurses have significantly declined and have been replaced by a far less capable, though cheaper, unregulated care worker labour force.
- Development of a compliant, low cost, tenuously employed workforce, often on minimum hours contracts that could well be described as the “working poor” of aged care.

- General opacity on how the financial arrangements of aged care providers are structured and how the bulk of their funding, which comes from the public purse, is spent. The following reports are damning of the financial arrangements in the aged care sector and on their own, provide compelling reasons for greater financial transparency and public reporting requirements by aged care providers:
  - Caring for Growth. Australia's Largest Non-Profit Aged Care Operators (2020)
  - All in the Family: Tax and Financial Practices of Australia's Largest Family Owned Aged Care Companies (2019)
  - Tax Avoidance by For-Profit Aged Care Companies. Profit Shifting on Public Funds (2018)
- An apparent lack of political and policy will, to tackle the well known and long standing issues in the sector identified by plethora of inquiries, reports and investigations. One must ask the question, if not now, when?

## Recommendations of the Royal Commission into Aged Care Quality and Safety

The final report of the Commission contains a total of 148 recommendation across 26 report chapters. As already indicated in this supplementary submission, these recommendation represent a wide-ranging and integrated approach to dealing with the many systemic and interrelated issues, now almost normalised, in the sector.

To take a piecemeal or cherry-picking approach to these recommendations, in this instance relating to the scope of this proposed legislation, would be a missed historic opportunity for positive change.

The QNMU also argues that responding to the recommendations of the Commission must be done in a systematic and coordinated way. Given that government is expected to provide a comprehensive response by the end of May 2021, the scope and intent of this legislation, while welcomed, currently sits outside any comprehensive plan by the current government to respond to the Commission's recommendations. It may be that this proposed legislation is an interim measure until the recommendations of the Commission are implemented comprehensively. As identified by the Commission there is a need for:

- more comprehensive financial standards
- more regular and timely reporting
- liquidity and capital adequacy standards
- improved capacity within the aged care regulatory framework to use the information effectively (Royal Commission into Aged Care Quality and Safety, 2021).

Within the broader context of the recommendations, enhanced regulatory and enforcement capacity and capability are key themes and also must be considered as part of this legislation.

In addition, the QNMU urges the Committee to consider this legislation in light of the related recommendations regarding financing and funding arrangements for the aged care system which will undoubtedly change from the current situation and would impact on any legislative solution to financial transparency in the aged care sector.

## Conclusion

A key element of the QNMU and Australian Nursing and Midwifery Federation aged care campaign has been a call for greater transparency and reporting of performance and outcomes to underpin greater scrutiny and drive positive change in the sector. As indicated in the QNMU's original submission to the Committee, we believe this bill is a step in the right direction in protecting the safety of those receiving aged care and enabling the visibility of where providers choose to spend government funds. Now that the Commission has released its recommendations for repair of the broken aged care system, we urge the Committee to consider and incorporate relevant recommendations into this legislation to facilitate a more comprehensive, rather than piecemeal, approach to the underlying aims of this bill.

## Reference List

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