

1 March 2022

Committee Secretary
Parliamentary Joint Committee on Intelligence and Security
Parliament House
via pjcis@aph.gov.au

RE: Uniting Care Queensland Submission to the Review of the Security Legislation Amendment (Critical Infrastructure Protection) Bill 2022

Dear Committee Members

Uniting Care Queensland (UCQ) is the second largest Queensland based not-for-profit employer with 16,500 staff and 9,000 volunteers providing health, aged care, disability and community services to over 400,000 people a year. UCQ runs four private hospital with over a thousand beds and 9% of the Intensive Care Unit (ICU) capacity in Queensland.

UCQ does not have the expertise or experience to consider whether the Bill effectively addresses national security concerns. As such, this submission is prefaced on the contention that the Security Legislation Amendment (Critical Infrastructure Protection) Bill 2022 (the Bill) requirements adequately addresses national security concerns.

UCQ is deeply concerned about the severe financial impost that the Bill will have on the non-government private hospital sector and will critically affect our ability to provide high-quality patient care and ICU capacity.

Key concerns

The Department of Home Affairs (DHA) submission to this review outlines that each Hospital entity will face a once-off compliance cost of \$8.5m and ongoing costs of \$5.8m. UCQ's own preliminary assessment indicates a substantially larger compliance cost. As such, UCQ asserts the following concerns:

1. DHA's view that non-government hospitals that have endured significant operational and financial pressures from the COVID-19 pandemic can somehow absorb these national security regulatory costs that has no positive impact on patient outcomes;
2. The short time frame to implement physical controls (six months) given that non-government hospitals (that are not in public-private partnerships with State Governments) do not have the same national security risk management maturity as government-run institutions and hospitals.

1. Compliance Costs

UCQ notes that using DHA's draft Regulatory Impact Statement's compliance costs (which UCQ estimates is substantially less than the actual cost), drives our hospitals into a severe deficit, necessitating severe cuts to our hospital services in order for them to remain viable. Unlike other sectors impacted by the Bill, non-government hospitals have a complicated system of interdependencies created by specialist medical systems and existing business practices that are focused on providing high quality patient care and not national security risks.

The Bill places obligations to create and implement national security risk management plans over hospitals that have an interconnected web of systems and processes with 100+ vendors with severe cost implications. In addition, should this requirement become part of the procurement process, UCQ's operating costs will rise dramatically due to reduced supplier competition and increased complexity in procurement.

Paying the penalties related to non-compliance (up to \$55,500 for each offence with certain offences including up to two years imprisonment) would be the more financially sustainable option for UCQ, allowing it to continue providing quality healthcare and the ICU capacity that Australia needs.

UCQ recommends that the Federal Government meet the full cost of compliance for non-government hospitals to comply with this legislation.

2. Time-frame to implement physical, personnel and supply chain requirements

The six months proposed by DHA to implement physical, personnel and supply chain requirements is impractical and will result significant 'surge' costs.

For example, the proposed Bill could require UCQ to conduct AusChecks over 4,200 staff (not including contractors) at the same time as many other organisations are conducting the same checks. The inevitable backlog in processing will result in costly delays impacting service delivery, staffing and costs – in what is already a severely strained sector. In addition, the proposed Bill could require UCQ to conduct physical access checks across its sites and more than 4,200 staff (not including contractors) to ensure they do not inadvertently have access to 'critically' deemed areas (e.g. a chemical storage area). Whilst non-government hospitals manage such risks, they have not had to consider national security risks in the development of their operational activities and processes. These are just two examples of how applying the Bill in such a short timeframe will result in significant 'surge' costs.

UCQ recommends that the Federal Government extend the physical, personnel and supply chain requirements from six months to at least 18 months

Disingenuous consultation process

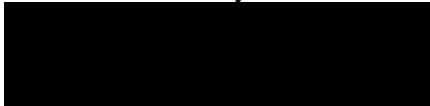
UCQ is disappointed with DHA's consultation process regarding the second stage of the Bill. Although UCQ did not provide direct feedback to the initial exposure draft, it did provide indirect feedback through our member bodies. UCQ also understands the Australian Private Hospital Association or the Catholic Health Australia were only contacted in the initial phase of consultation to seek out contacts for DHA. Subsequently, they were omitted from the consultation process with DHA directly reaching out to non-government hospitals.

Industry groups help members by representing them and providing sophisticated advice and support on policy and advocacy that few of us can afford individually. It seems disingenuous that they were excluded from the consultation process given their skills, experience and knowledge in dealing with Government. UCQ is aware that they were not invited to the four town halls held which further disadvantaged the non-government hospital sector as the town halls provided little opportunity for feedback given our sector was competing with other industries have the financial capacity (individually) to have policy and advocacy resources.

UCQ notes that DHA directly approached risk and compliance teams within non-government hospitals and again asserts this was disingenuous given team members are not equipped with the skills, experience or knowledge to represent their hospitals interests. Fortunately, these glaring consultation anomalies were picked up by our Government Relations SME and are being addressed in this submission.

UCQ thanks the Committee for your time and consideration. I reiterate that UCQ remains committed to working with Government to ensure our critical infrastructure remains secure and operational, while maintaining the high-quality of healthcare Australians deserve and the ICU capacity necessary to keep saving Australian lives.

Yours sincerely,



Craig Barke - CEO
Uniting Care Queensland