



Submission to Senate Standing Committees on Community Affairs

Aged Care Legislation Amendment (Financial
Transparency) Bill 2020

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submission

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Introduction

The Queensland Nurses and Midwives' Union (QNMU) thanks the Senate Standing Committees on Community Affairs for the opportunity to make a submission to the *Aged Care Legislation Amendment (Financial Transparency) Bill 2020* (the bill).

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 (RM), 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 more than 63,000 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 vast majority of nurses in Queensland are members of the QNMU.

This year, 2020 will be dedicated to celebrating the *International year of the Nurse and the Midwife*, in celebration of the 200th year anniversary of the birth of the founder of contemporary nursing, Florence Nightingale. The World Health Organisation (WHO) nominated nurses and midwives for their invaluable contribution to health care and to highlight the need for a strengthened nursing and midwifery workforce to achieve sustainable development goals (SDG) and universal health coverage. The QNMU is proud to embrace this opportunity to invest in the nursing and midwifery professions, particularly the investment into minimum safe staffing ratios and skill mix across all health sectors.

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 Royal Commission into Aged Care Quality and Safety (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.

There is no denying the urgent need for the federal government to implement a regulatory system where residential aged care providers must account for how they spend government funding. This will then provide a clear view of what providers are spending taxpayers' funds on in the provision of care to aged care residents. 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.

Recommendations

The QNMU recommends:

The parliament pass the bill with these amendments:

1. To the *Corporations Act 2001* the QNMU proposes an omission of the words 'more than \$10 million in':
 - a. the new subsection 296(1C) to read:
If an approved provider (within the meaning of the *Aged Care Act 1997*) received funding from the Commonwealth in a financial year, the financial report for that financial year must comply with the Tier 1 requirements of the accounting standards.
2. To the *Aged Care Act 1997* the QNMU proposes additional text be added:
 - a. In the amendment 9-2A (2)(e) (ii) to read:
medical products **and devices**
 - b. The insert 9-2A(3)(c) to read:
personal care attendants **or however titled which includes assistants in nursing (AINs).**

General comment

The QNMU supports the bill in seeking to provide financial transparency and accountability in the aged care sector. The distribution of the total amount of government subsidies must be reported on for each facility. Publishing specific financial information on how providers use taxpayer's money will hold providers accountable.

Once the Aged Care Quality and Safety Commissioner makes this financial information available to the public, it must be in a user-friendly format for ease of use and understanding.

The recent development of the Service Compliance Rating on the My Aged Care website will allow consumers to access and compare easy to understand information on the quality of residential aged care services. These ratings are derived from results against the Aged Care Quality Standards. The Aged Care Quality and Safety Commission expects organisations providing aged care services to comply with these quality standards. Of relevance to this submission is *Standard 8 Organisational governance* which includes the necessity to have effective organisation-wide governance systems including financial governance (Aged Care Quality and Safety Commission, n.d). We see this rating system as one part of ensuring aged care providers are accountable in the services they provide and the governance systems they have in place.

To isolate one aspect of the bill, the QNMU strongly supports the reporting of the total cost of salaries and wages for all staff members by category. While the bill does not address how staff members are used, the capture of how many are employed in aged care and the skill mix of those workers goes some way in addressing the concerns of understaffing in the aged care sector.

The QNMU has long advocated for staff ratios in aged care. This bill aligns with the Australian Nursing and Midwifery Federation's (ANMF) and the QNMU's ratios for aged care campaign "*Ratios for aged care make them law. Now!*" This campaign highlights how fewer nurses and carers are expected to care for an increasing number of aged care residents with complex needs (Australian Nursing and Midwifery Federation, 2019).

Research shows that a certain minimum level of aged care staffing is necessary for good quality care in aged care facilities (Arling, Kane, Mueller, Bershadsky, & Degenholtz 2007, Hyer et al. 2011 & Kim, Kovner, Harrington, Greene, & Mezey, 2009). According to the ANMF's findings the minimum care requirements in residential aged care facilities is 4.30 resident care hours per day, and a skill mix requirement of 30% RN, 20% EN and 50% personal care worker (Willis et al., 2016).

Reporting of staffing ratios will increase transparency of practice and provide public accountability in residential aged care services. This bill is an opportunity to provide greater disclosure in aged care.

Recommendations – Amendment to the *Aged Care Act 1997*

The QNMU has two recommendations for the proposed amendment to the *Aged Care Act 1997*.

We suggest the inclusion of text to the proposed amendment 9-2A (2)(e)(ii). In our view 'and devices' should be added, so it would read:

9-2A (2)(e)(ii) medical products **and devices**.

This would ensure devices such as sensory alarms that may be used as part of a fall prevention and management program to improve resident safety, would be included as part of care expenditure in the financial reporting.

Secondly, the QNMU proposes that in 9-2A (3)(c) additional text be added to clarify the categories of staff member, so it would read:

(c) personal care attendants, **or however titled which includes assistants in nursing (AINs)**.

This would then encompass all aged care workers who support the delivery of nursing care and who are delegated and directly supervised by a RN.

Recommendation – Amendment to the *Corporations Act 2001*

The QNMU believes that insert 4 after subsection 296(1B) that is being proposed for inclusion in the *Corporations Act 2001*, be included but with one omission. We have made a strikethrough of the text we believe should be excluded. The new subsection 296(1C) to the *Corporations Act 2001* to read:

If an approved provider (within the meaning of the *Aged Care Act 1997*) received ~~more than \$10 million in~~ funding from the Commonwealth in a financial year, the financial report for that financial year must comply with the Tier 1 requirements of the accounting standards.

We believe that every residential aged care provider who receives funding from the Commonwealth must provide a financial report for the financial year, regardless of the amount of funding. Our argument for requiring all government funded providers to supply financial reporting is strengthened by the events that saw the sudden closure of the Earle Haven Retirement Village last year who was receiving government funding. Looking at the last couple of financial years, People Care Pty Ltd who was the aged care provider for Earle Haven were subsidised by the federal government of less than \$10 million in 2017-18 and 2018-19 (Australian Institute of Health and Welfare, 2018 & Australian Institute of Health and Welfare, 2019).

Leading up to the closure of the Earle Haven facility saw People Care Pty Ltd as the approved provider for the aged care services at this site. In April 2018 management services for the facility had been contracted to HelpStreet Villages (Qld) Pty Ltd a subsidiary of the HelpStreet Group, a multi-national provider of health, aged care and social services (HelpStreet, 2019). It was in early to mid-2019, that the QNMU became aware that staff had not been paid and not all superannuation payments had been made.

This aged care provider, whilst receiving federal government funding of less than \$10 million, abandoned close to 70 frail, elderly residents leaving a devastated community and unpaid nurses in its wake. Had there been in place compulsory financial reporting, perhaps the financial distress Earle Haven was experiencing may have been identified, preventing the collapse of this facility.

We acknowledge the Tax Justice Network (2018) report, commissioned by our federal body the Australian Nursing & Midwifery Federation (ANMF) where they recommend that any company that receives federal funds over \$10 million in any year must file a complete audited

annual financial statement with the Australian Securities and Investments Commission (ASIC). We support this recommendation. However, we also believe that if all providers who receive government funding are required to give an annual financial transparency report to the Aged Care Quality and Safety Commissioner, then surely red flags could be raised if the provider's figures show they are in financial difficulty or are reducing costs by skimming dollars from food or medical products or staffing. Government subsidies must be used to fund high-quality aged care, where residents are given the best of care and conditions, and staff are paid correctly.

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