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Queensland Health

Committee Secretary
Senate Standing Committees on Community Affairs
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Dear Secretary

Thank you for the opportunity to provide a submission in relation to the *Aged Care Legislation Amendment (Financial Transparency) Bill 2020* (the Bill). As the approved provider of Queensland Health's aged care services, Queensland Health supports in-principle the Bill, which amends the *Aged Care Act 1997* (Cth).

The proposed amendments will require residential aged care providers to give an annual financial transparency report to the Aged Care Quality and Safety Commissioner, who would then make them public. It is noted the Bill also amends the *Corporations Act 2001* (Cth) to ensure residential aged care providers (who receive over \$10 million in Commonwealth funding) include detailed financial information in their annual financial statements. Collectively, the amendments support consumer choice and will provide older Australians, their families and the public with a clear view of the proportion of income providers are spending on the different aspects of aged care.

The Queensland Government is a national leader in delivering transparency for its residential aged care facilities. On 28 November 2019, the Queensland Parliament passed the *Health Transparency Act 2019*. The purposes of the Health Transparency Act are to improve the transparency of the quality and safety of health services provided in Queensland; and to help people make better-informed decisions about their healthcare.

The Health Transparency Act included amendments to require Queensland Health operated residential aged care facilities to have a minimum nurse skill mix and provide a minimum average hour of care to residents daily. In addition, the Health Transparency Act mandates Queensland Health facilities to publish staffing figures publicly. Queensland's for profit and not-for-profit providers are also able to report their average daily resident care hours on a quarterly basis. While they can choose not to supply this information, their decision to opt-out will be made public.

Queensland Health operates 16 residential aged care facilities in both metropolitan, rural and remote areas across Queensland. Due to challenges associated with the proposed changes which must be applied across various settings, Queensland Health would appreciate an appropriate period of notice, testing and transition to implement the new reporting activities. Due to increased reporting, it is likely there will be an additional administrative burden for service providers, especially in rural and remote areas already experiencing workforce shortages.

As outlined in the *Hospital and Health Boards Act 2011* (Qld), Queensland's Hospital and Health Services are positioned to provide residential aged care services to suit local needs. This arrangement strengthens local decision-making and accountability, local consumer and community engagement, and local clinician engagement. Facilities in rural and remote areas rely on funding and workforce flexibility and economies of scale to ensure aged care service provision is ongoing and sustainable. This creates complexities for the proposed reporting items where resourcing is spread across facilities.

Queensland Health considers that measures that promote transparency of the quality and safety of services should be reported to inform consumer choice.

Although useful to promote financial transparency and the discharge of public funds, the reporting items outlined in the proposed Bill are input indicators. The State's interest is in the outcomes the aged care system is providing older Queenslanders. Indicators that measure resident wellbeing and show that people are ageing well are preferable.

In order to deliver the required information consistently, it is essential that a standard template with detailed instructions and clearly articulated definitions of key terms is supplied to approved providers. For example, 'direct' and 'indirect' care expenditure items will need to be clearly defined to ensure entities can determine what level of overhead costs should be included.

Finally, Queensland Health would be open to testing the template, as well as sharing learnings from the development of the Queensland Government's *Health Transparency Act 2019*.

Should you require further information on this matter, Queensland Health's contact is Mr David Harmer, Senior Director, Social Policy and Legislation

Yours sincerely

Dr John Wakefield PSM
Director-General

21 August 2020