

July 30, 2020

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Chair and Committee Members,

Re: Submission Aged Care Legislation Amendment (Financial Transparency) Bill 2020

Introduction:

Derryn Hinch's Justice Party (DHJP) welcomes the opportunity to make a brief submission on the *Aged Care Legislation Amendment (Financial Transparency) Bill 2020*.

DHJP was founded by former Senator Derryn Hinch. At the core of the party is the pursuit of protecting the vulnerable, whether they be children, victims of family violence or, in this case, elderly Australians. Aged care is an important area of policy for the party, and this was reflected, for example, in Derryn Hinch calling for staff ratios in aged care facilities back in 2018. The purpose of this submission to the Senate Community Affairs Legislation Committee, is to outline Derryn Hinch's Justice Party's view on aged care and the reforms needed within the sector to ensure greater transparency about how providers operate.

On Tuesday, 18 September 2018, Derryn moved a motion in the Senate which:

- acknowledges that the Government's recent announcement of a Royal Commission into Aged Care is a necessary and appropriate response to evidence of systemic problems within the sector;
- notes that:
 - since 2009 there have been 10 federal inquiries into the aged care sector, as well as a number of state parliamentary inquiries,
 - reports have consistently recommended increasing staffing levels to ensure that there are enough nurses and other qualified professionals on duty to provide a minimum standard of care,
 - international research suggests that higher registered nurse staffing levels, higher total staffing levels and a high skills mix (ratio of

- registered nurses to other nursing staff) are associated with better quality care, and
- as it stands, the Department of Health's published list of anticipated terms of reference for the upcoming Royal Commission does not mention staffing levels; and
- calls on the Government to:
 - amend existing accreditation standards to include a requirement for providers of aged care services to publish their staff-to-resident ratios in the interests of greater transparency, and
 - include in the Royal Commission's terms of reference a direction to examine the impact of staffing levels on quality of care.

In regard to this motion, it should be noted that Centre Alliance (the mover of the relevant Private Member's Bill for this inquiry) supported the above motion and have continued to pursue aged care reforms throughout their time in the Senate.

In addition to this, DHJP has consulted members of the sector and primary stakeholders when finalising voting positions on relevant legislation at a State level. Indeed, the first piece of legislation that DHJP Victorian State MPs Stuart Grimley MLC and Tania Maxwell MLC supported after being elected was the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Amendment Bill 2018*.

General Comment:

The Aged Care Legislation Amendment (Financial Transparency) Bill 2020 will assist in providing transparency and accountability within the aged care sector. While aged care is primarily the responsibility of the Federal Government, there are a number of instances where the State can improve outcomes for patients and their families. This includes retaining and attracting talented carers and ensuring adequate support services for patients and their families in circumstances where there has been misconduct. *The 2020 Covid-19 crisis in Victoria, especially, underscores this.*

It is the hope of DHJP that staff-to-patient ratios become a reality so that our elderly and vulnerable can receive the highest quality care that they both need and deserve.

The Aged Care Legislation Amendment (Financial Transparency) Bill 2020 aims to:

- **Amend the Aged Care Act 1997 to 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;**
- **Amend the Corporations Act 2001 to ensure residential aged care providers include detailed financial information in their annual financial statements. Enabling families of loved ones, stakeholders and the public to have a clear view, for the first time, on the proportion of income that providers actually spend on costs of care and how much is just being pocketed or wasted; and**
- **Require aged care providers to disclose their income, their spend on food and medication, the amount spent on staff and staff training, accommodation, administration, and how much they pay out to their parent bodies.**

In our view, it is outlandish that, whilst institutions such as universities are required by law to provide an update on financial matters, aged care providers are exempt from the need to provide the same transparency. *Especially, when it was revealed several years ago that the average spend on food in some private aged care facilities was \$6.07 a day per resident.*

Australia's aged care sector has generally been subject to increasing scrutiny. With an ageing population comes additional demands on the sector, with resourcing and supply key determinants of the quality of care which has been provided. A Bacchus Marsh resident recently explained to Derryn Hinch how his mother is only showered once every four days with the assistance of a nurse – but, when the patient's son asked the aged care provider to more frequently assist his mother when showering, they demanded additional payment for a 'higher quality of care'.

In one Royal Commission hearing in Melbourne which a member of our staff attended, one individual explained how she wished she could use her hands so that she could 'kill herself'. This individual has been prematurely confined to aged care facilities due to the lack of sufficient accommodation for disabled Australians. This is simply not good enough for a country that, prior to COVID-19, had experienced record and uninterrupted economic growth.

Whilst stories like these provide a personal insight into the issues plaguing the sector, they also underline the need for greater transparency and accountability in regard to the way in which aged care providers use funds. As stated above, the outcomes for both individuals and their families would have been vastly different if adequate resourcing had been made available.

Dietician Dr Cherie Hugo led research on more than 800 aged care facilities in Australia and found on average, homes were only spending \$6.08 a day on food per resident. That figure is far less than for other adults in the community, who eat food worth about \$17 per day, and it is also \$2 less than is spent on Australian prisoners.

More worrying to Dr Hugo than the low spend was that the amount spent on food dropped by 31 cents per person per day in just one year, while facilities spent 50 cents a day more on nutrition supplements.

As Derryn Hinch himself said on <add date>, “people in jail receive better treatment than those in aged care. The average spend on old people in care per day, for food, is \$6.07. When I (Derryn) was in jail the last time it was \$10 a day and all the free milk you wanted.”

Cutting food budgets, poor staff training and insufficient staff time preparing food on-site inevitably impacts on the quality of food provided.

At the Royal Commission, chefs have spoken about using more frozen and processed meals, choosing poorer quality of meats and serving leftover meals in response to budget cuts.

As stated in the *Royal Commission in Aged Care Interim Report*, “this cruel and harmful system must be changed. We owe it to our parents, our grandparents, our partners, our friends. We owe it to strangers. We owe it to future generations. Older people deserve so much more.” Reporting how and where aged care providers spend funds will surely go some way towards ensuring that providers are more accountable for the care they provide.

In closing, a quote from then-Senator Hinch which echoed what he had said years earlier when on radio: ‘Politicians forget that the only difference between them and old people is that they got there first’.