



Attorney-General
Minister for the Arts, Creative Industries and
Cultural Events
Minister for Building Quality Improvement
Minister for Business and Regulatory Services
Minister for Seniors and Veterans
Member for Ginninderra

Senator Wendy Askew
Chair
Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator

Thank you for the opportunity to make a submission to the Community Affairs Legislation Committee inquiry into the Aged Care Legislation Amendment (Financial Transparency) Bill 2020.

The ACT Government notes that the proposed legislation was developed in response to the findings of the interim report of the Royal Commission into Aged Care Quality and Safety of 31 October 2019. The interim report detailed a 'shocking tale of neglect'¹ in the aged care sector, highlighting issues of substandard care, inadequate oversight and safeguards. The interim report also found that the aged care system 'lacks fundamental transparency'² to the public as to how service providers perform and how providers spend their funding on the care of aged care residents.

The bill would require residential aged care providers to provide 'financial transparency reports' which would detail a number of matters, including expenditure on food and medication, staff remuneration and training, administration and funding sources. The financial transparency report would be provided to the Aged Care Quality and Safety Commissioner, who would make the report publicly available. Additional amendments would require certain financial information to be detailed in annual financial statements for residential aged care providers.

The ACT Government shares the concern expressed by the Royal Commission as to the shortcomings of the aged care sector, including in relation to transparency and financial reporting. The ACT Government agrees in principle with the goal of transparency that the bill seeks to achieve and welcomes the opportunity to contribute to a discussion about greater transparency in the way that aged care service providers use funding to deliver services to aged care residents.

¹ Royal Commission into Aged Care Quality and Safety, *Interim Report: Neglect*, Volume 1 (31 October 2019), p 1.

² Royal Commission into Aged Care Quality and Safety, *Interim Report: Neglect*, Volume 1 (31 October 2019), p 8.



The ACT Government notes that there are some aspects of the bill that could be further clarified. This includes, for example, the meaning of 'direct and indirect care expenditure' in proposed section 9-2A of the bill. It will also be important to consult with aged care providers to ensure that reporting requirements are clear and achieve the objective of improving transparency without creating any unnecessary administrative burden.

The ACT Government is strongly committed to addressing elder abuse and safeguarding older people in our ACT community. We consider that reform in this area would complement initiatives undertaken as part of the National Plan to Respond to the Abuse of Older Australians

Thank you again for the opportunity to contribute to this inquiry.

Yours sincerely

Gordon Ramsay MLA
Attorney-General

13-8-2020