

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Standing Committee on Community Affairs

Inquiry into the Aged Care Legislation Amendment (Financial Transparency)

Bill 2020

14 May 2021

PDR Number: IQ21-000092

Publication of quarterly reports and amendments to legislation

Spoken

Hansard Page number: 25

Senator: Rachel Siewert

Question:

Senator SIEWERT: There are a couple of questions that come from there. Are you, therefore, considering amendments to the current act because the new act is not coming in for another two years, effectively? Are you considering amendments to the current legislation to allow you to do this, to release it?

...

CHAIR: I think it's probably a question for estimates to the minister.

Senator SIEWERT: Have you been asked how you would release this information publicly, the draft amendments?

Ms Strapp: Sorry, have we been asked—

Ms Evans: I didn't get that question, sorry.

CHAIR: Could you repeat the question, Senator?

Senator SIEWERT: I beg your pardon. In the work that you're doing, have you been asked to draft amendments, or get drafters to amend it, to ensure that this information is released publicly or how to release this information?

Ms Strapp: I'm not sure that I'm across the detail of that. It's a different area that looks after the legislation. I would have to take that on notice.

Senator SIEWERT: If you could take it on notice. I understand there's a different section that does the drafting

Ms Strapp: I'll take that on notice.

Answer:

The Department is progressing a legislative reform program, which will include requirements for reporting and publishing of information. Drafting of amendments for the quarterly financial reports has not yet commenced.

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PDR Number: IQ21-000093

Barriers to releasing quarterly reports

Spoken

Hansard Page number: 26

Senator: Rachel Siewert

Question:

Senator SIEWERT: Thank you. Bear in mind what you've just said. Before the legislation is changed or the new act comes in around public release of information, is there anything that you're aware of that would stop you releasing it if providers agreed to release it?

Ms Strapp: I think we would need to get advice on that, so I will take that on notice as well.

Senator SIEWERT: Thank you. It would be appreciated if you could.

Answer:

The Department of Health is not aware of any impediments to releasing information collected through the quarterly financial report, subject to the agreement of providers.

However, the quarterly financial report has not yet been developed.

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Bill 2020

14 May 2021

PDR Number: IQ21-000094

Reporting on contracting outside services

Spoken

Hansard Page number: 26

Senator: Rachel Siewert

Question:

Senator SIEWERT: Thank you. That makes that clearer. In terms, then, of the issues relating to contracting, are outside services brought in going to be included in that?

Ms Evans: To some extent it will, but I want to ensure I'm understanding your question. It looks at expenditure and what amounts of funding are paid, but I think that's different from what you're asking.

Senator SIEWERT: Yes, that's different. What was put to us this morning and in the submission as well is the issue where you are contracting out services as opposed to the service provider providing them themselves.

Ms Evans: I think it's limited at this stage to how much is spent, but I do know that some of the future reforms that we're looking at as part of the prudential framework longer term will be about declaring whether there are changes in contracting arrangements or governance issues and those sorts of things. I might need to get the detail and take that specifically on notice because.

Senator SIEWERT: That'd be appreciated, if you could.

Answer:

Under the *Aged Care Act 1997*, approved providers are required to notify of any change of circumstance that materially affects their suitability to be a provider of aged care, within 28 days of the change occurring. In 2019, the Department updated the Notification of Material Change form and issued further guidance to clarify that this includes circumstances where a provider enters into brokerage arrangements for the delivery of clinical care or management services.

In addition, approved providers will be required to report their contracting expenditure at facility-level in the 2020-21 Aged Care Finance Report (ACFR), including contract labour expenses on care and expenses on outsourced catering, clearing, laundry and routine maintenance. This new requirement responds to recommendations 130 to 137 from the Royal Commission into Aged Care Quality and Safety's final report, relating to enhanced reporting requirements for providers and stronger financial and prudential oversight for Government.

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Standing Committee on Community Affairs

Inquiry into the Aged Care Legislation Amendment (Financial Transparency)

Bill 202

14 May 2021

PDR Number: IQ21-000095

Minister Hunt's comments regarding increase to workers' wages

Spoken

Hansard Page number: 28

Senator: Helen Polley

Question:

Senator POLLEY: I would have thought so, considering the commission's findings. I want to refer back to the minister's comments on 13 May. In question time, the minister for aged care, Greg Hunt, said in his response that there would be an increase to workers' wages. Is the \$3.2 billion for food or workers' wages? If it's for workers' wages, how can we know if it's being spent on wages and what reporting measures are in place for that element of it? There are two elements. He's saying it's going to food and going to wages. What is the reporting mechanism to ensure that that happens, and can we have confidence that it will be delivered?

Ms Strapp: That, as Ms Evans has detailed, is all in the ATFR. They will be required to report against exactly what they spend all of their money and all of their subsidies on. That includes wages, food, nutrition and living expenses.

Senator POLLEY: The comment by the minister, Mr Hunt, in question time was: With great respect, Mr Speaker, this is absolutely directly about wages. I started with the \$3,700 and \$2,700 of direct wage supplement. In addition to that, there is \$3.2 billion, which goes to the ability to provide additional support for our personal care workers and for our nurses. So you are confident that that is going to be the outcome?

Ms Strapp: I would need to look at that statement, sorry. I'm not sure if it refers to the same thing. I will have to take that on notice.

Senator POLLEY: Could you take that on notice?

Answer:

As part of the \$17.7 billion investment in reforming aged care in the 2021-22 budget, \$7.8 billion has been committed to improve residential care.

This includes:

- \$3.2 billion from 1 July 2021, to support a new Government Basic Daily Fee (BDF) supplement of \$10 per resident per day and to continue the 30 per cent increase in viability and homeless supplements; and
- \$3.9 billion from 1 October 2022, to support providers to deliver an increase in care time to residents.

The new Government Basic Daily Fee supplement will support better care and services for residents. With labour costs representing approximately 70 per cent of total provider costs, it can be expected that the funding will support costs associated with labour and the delivery of care and services.

To ensure transparency and accountability on providers, new enhanced financial reporting requirements will commence from the 2020-21 financial year. This will collect more detailed information about where aged care providers spend their money, including:

- costs across different staff types (e.g. registered nurses, personal care, allied health);
- direct care hours provided to residents across these different staff types; and
- resident expenses including medical and incontinence supplies, and catering expenses including food.

From 1 July 2022, this will change from annual to quarterly reporting. To receive the new Government Basic Daily Fee Supplement, providers will need to report on daily services provided, with a particular focus on food and nutrition. This reporting will be mandatory and required on a quarterly basis.