COMMONWEALTH OF AUSTRALIA

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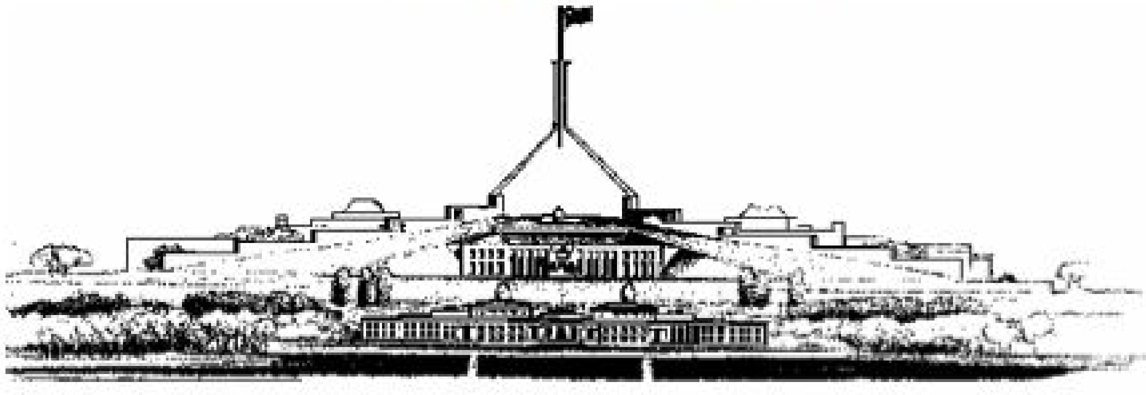

THE SENATE

BILLS

Aged Care Legislation Amendment (Financial Transparency) Bill 2020

Second Reading

SPEECH

Monday, 30 November 2020

BY AUTHORITY OF THE SENATE

SPEECH

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Questioner		**Responder**	
Speaker	Henderson, Sen Sarah	**Question No.**	

Senator HENDERSON (Victoria) (10:15): It's my great pleasure to rise and speak on the Age Care Legislation Amendment (Financial Transparency) Bill 2020. Looking after our senior citizens is one of the most important responsibilities we have as a nation. The Morrison government's track record in continually improving aged care is extensive, and we are very proud of many of our key initiatives, many of which have been incorporated into the 2020-21 budget. Before I outline those and speak about the details of this bill, I just want to take issue with Senator Griff and the comments that he made about aged care being centred around transactions and not care. I know Senator Griff comes into the Senate with a lot of good intentions, but I really do take issue with that statement, because so many residential aged-care providers do an incredible job. I don't want to stand here and allow the misdeeds of a number of residential providers who are not doing the right thing to cast aspersions on the sector as a whole. So I want to reject the premise on which Senator Griff made that comment.

Under our budget we've provided $1.6 billion more for another 23 home care packages. This builds on the $325 million investment for 6,000 or so packages announced by the Prime Minister on 8 July 2020. There's another $11 million to ensure ongoing, face-to-face video and telephone interventions for psychosocial support through the Dementia Behaviour Management Advisory Services and Severe Behaviour Response Teams. There's just over $10 million over three years to support the recently established Aged Care Workforce Industry Council to take a major role in implementing the 14 strategic actions outlined in *A matter of care: Australia's aged care workforce strategy*. There's $10.6 million over three years to establish a national network of system coordinators to help younger people find age-appropriate accommodation which supports them to live independently in the community. There's $91.6 million over two years to support potential implementation of the Australian National Aged Care Classification funding model in residential aged care. This funding builds on previous investments of $167 million announced in the July economic and fiscal update. We continue to improve the aged-care funding model, bringing the total investment to some $258 million.

In the budget also is $35.6 million over two years for the Business Improvement Fund, which provides targeted grant based assistance to residential aged-care providers experiencing viability concerns—and that is a key issue of the sector. There's $125.3 million for the replacement of the Commonwealth Continuity of Support Program with the Commonwealth Disability Support for Older Australians Program, to continue to support older people with a disability who are not eligible under the NDIS. There's also $4.6 million to expand the single in-home support program to support older people remain in their homes. So that's a huge raft of investments in aged care that just have been announced in our most recent budget.

Of course, every year under the Morrison government home-care packages are up and residential-care places are up, and every single year aged-care funding goes up. The Morrison government—and these are the facts—is delivering record investment across the aged-care system over the forward estimates, growing from $13.3 billion in 2012-13 under the previous Labor government to $21.3 billion in 2019-20. We estimate that funding for aged care will grow to more than $27 billion in 2023-24—that is, on average, $1.1 billion of extra support for older Australians each year over the forward estimates.

The government spent over $13.4 billion in 2019-20 on residential care, up from $9.2 billion in 2012-13. In 2023-24 this will grow to over $17.1 billion. We are seeing massive increases in investment by our government. I will make this really important point: making improvements to aged care for all senior Australians continues to be one of the Morrison government's most important priorities. That is precisely why the Prime Minister called for the Royal Commission into Aged Care Quality and Safety, and that is precisely why we are acting.

As Commissioner Briggs stated, as part of the final hearings of the royal commission:

I have had, however, detected over the last year, counsel, a growing determination among officials, and on the government, to fix the problems of the aged care system and to pursue a genuine reform agenda.

We are committed to providing that genuine reform agenda to provide senior Australians with support to live in their homes longer. New home-care packages have increased from $60,000 under Labor in 2012-13 to $185,000 in 2023-24. That's an increase of 208 per cent.

Over the same period, funding will increase by 302 per cent, due to growth in high-level packages. In stark contrast, at the last election Labor provided no additional funding in their costings for home-care places or any additional funding for quality aged-care workforce or residential aged care. So it's pretty rich for those opposite—and I don't include Senator Griff, who is sitting opposite me at the moment, but I do include Labor senators and Labor members in the other place—to stand up on aged care when Labor so failed Australians at the last election. In fact, in the budget reply speech that the opposition leader, Mr Albanese, made just a few months ago, aged care did not even get a mention in the entire half an hour. That is really shameful on the Labor Party. I make that very strong point.

This year has been a year like no other. The COVID-19 response, of course, has been incredibly challenging. Since the beginning of the pandemic our government has invested more than $1.6 billion specifically to deal with the response to the pandemic. This includes boosting quality and safety monitoring, supporting retaining of the care workforce, providing an additional surge workforce, assisting the sector with accommodation costs, providing resources to COVID-19 impacted facilities and funding more Australians to stay at home. As we know, we had a very serious situation in Victoria as a result of the hotel quarantine program, which allowed community transmission of the virus to run out of control. We always knew that if that happened it would get into the most vulnerable of the community: aged-care homes. As a result, extra funding resources were delivered for the Victorian Aged Care Response Centre.

I want to turn to the bill before the Senate today which proposes amendments to the Aged Care Act and the Corporations Act, which would have the effect of requiring that aged-care providers report certain financial and cost information to the Aged Care Quality and Safety Commissioner, including income and subsidies received from care and the amount spent on staff. It also provides that the commissioner will publish reports received from providers and, if an approved provider received more than $10 million in Commonwealth funding in a financial year, there will be greater financial reporting requirements under the Corporations Act.

I will make the first point in response as to why the government is not supporting this bill. The usefulness of the proposed public information is not clear, because it has the potential to be misleading to consumers. For example, in some instances there may be reasons why the itemised cost of medical products—for example, incontinence aids—would vary between residential aged-care services such that the information would not necessarily assist transparency for consumers.

The amendments are also not supported by the government—and this is a really important point—as they pre-empt the final report of the Royal Commission into Aged Care Quality and Safety, which is due in February of next year. In its interim report the royal commission has been critical of constant change and moving targets. Embracing these proposals or amendments on their own in a piecemeal fashion would not reflect the importance of the government ensuring that our reforms are integrated, cohesive and solutions driven. We don't want to pre-empt the royal commission. That would be most inappropriate. The reforms at their heart, as we recognise, must deliver the best care for all senior Australians, and that's got to be, without exception, putting the care of seniors at the centre, and if we do so in a piecemeal way we may in fact err in not addressing other really important issues in relation to transparency.

Senator Griff's proposed amendments also raise issues for the fiscal impact on the Aged Care Quality and Safety Commission. While not directly relevant to parliament's consideration of Senator Griff's proposed amendments, the Australian government does need to be cognisant of these issues. While no costing of the resourcing implications has occurred at this stage, the proposed amendments are likely to have resource implications in the form of report collection activity. This will require additional staff and/or IT systems resources to collect the required reports from providers. There will also be, we expect, additional costs in compliance and enforcement activity to respond to providers who fail to report by the required time frame or who give an inadequate report to the commissioner. There will also be report-publishing activity costs. This will also require additional staff and/or IT systems resources to publish these reports, whether they are on the commission's website or on My Aged Care. There's also a resources issue in relation to data incorporation activity. So further resources would be required to build these reports into the commission's risk-profiling IT systems.

I do want to say that there are very important existing requirements for aged-care providers to report annual financial information under the Aged Care Act. This requirement includes the provision that all aged-care providers are to provide an Aged Care Financial Report, the ACFR, to the secretary of the Department of Health. Within the residential income and expenditure statement providers are already required to report on the sources of the funds they receive—that's from the Commonwealth, the state, the residents themselves and other sources—and then explain how these funds were expended against the categories of care; accommodation; hotel expenses, so things like catering and cleaning; and administration finances and other non-operational expenditure. There is also the requirement that all residential aged-care providers must give an aged-care prudential compliance statement to the secretary, and all non-government residential aged-care providers must provide an independently audited, general-purpose financial report, prepared in accordance with accounting standards, as if the approved provider is a distinct reporting entity.

The department is currently working to expand the requirements of the ACFR and expects revised reporting requirements will be in place from 1 July 2021. So it is important to know that that work is underway. The revised requirements will introduce more transparency around the operational results of the facilities that a particular provider operates. This expansion will cover some of the additional reporting requirements proposed under clause 9-2A(2) of the bill as well as new information related to parent entity finances. The department will also undertake sector consultation before these requirements are introduced.

All of these changes are being considered in terms of the royal commission and the prudential standards review to ensure they are integrated with other reforms. Of course, we recognise they have the potential to increase administrative burden and that these matters need to be appropriately balanced. So we're very proud of the support our government is providing, including in these important reforms, but we await the final results of the royal commission— *(Time expired)*