

Commissioner  
Royal Commission into Aged  
Care Quality and Safety  
GPO Box 1151  
Adelaide SA 5001

**ANNEX A TO RESPONSE TO  
CONSULTATION PAPER DEC  
2019**

Sir / Madam,

### **Call for Submissions – Tasmania**

Thankyou for the opportunity to make a submission into aged care quality and safety.

My interest in the subject is limited to my elderly in-laws who refuse to move into aged care facilities because of the poor reputation associated with them in general. My wife and I are nearing the time when we may need to consider such service and it is in this light that I offer the following advice.

Public servants should understand that privatisation, whilst providing an initial burst of competition, rarely creates savings to the public in the long run. The key reasons for this include:

1. The primary objective of a private enterprise is the generation of wealth for its owners, or, in the case of a not-for-profit, to generate returns enough to reimburse the private administration (e.g. directors fees) of such venture.
2. Necessary government oversight in the form of quality control inspections and enforcement of regulations will add back the savings that government may espouse to be available through privatisation.
3. Fines and other financial punishments are now part of the modern-day business model and will end up being charged back to the customer.

Since it is highly likely that privatisation of Aged Care facilities will continue as a government policy direction, I therefore recommend the following provisions be built into any future management arrangements:

Organisations holding Aged Care Facility (ACF) contracts must:

1. Be accredited.
2. Not comprise of any individual who has been suspended or disqualified from holding a business licence anywhere in Australia.
3. Have public liability insurance not less than \$100 million and professional indemnity insurance not less than \$50 million.
4. Provide an insurance bond not less than \$10 million to be available among other things, to rectify deficiencies identified by independent inspection.
5. Ensure all staff are trained, qualified and competent for the role they are to hold.
6. Ensure directors complete a recognised course in Corporate Directorship.
7. Ensure government inspection is conducted on a continual basis so that any single ACF can be expected to be audited at least once in every year.

8. Ensure breaches in safety that expose persons to risk of serious injury or death, or defects in service delivery that cause customer distress be reasons for
  - a. Censoring the Board of Directors
  - b. Calling on all or part of the performance bond for immediate remediation of the defective processes.
9. Government hold directors of ACFs accountable and that prison terms in addition to fines become part of the punishment system for serious incidents of error or omission in their duty of care.

In conclusion, I believe that most private corporations will exploit profit over service delivery and that if Australia continues to adopt the private business model that encourages this culture, then the above requirements are made standard terms of any ACF.

Sincerely,

**James Ayliffe**



27 August 2019