PHM Country Case studies: Australia

Issue addressed: Privatisation in times of COVID-19 and struggles against it

Question: In what ways did your country engage the private health sector for Covid-19? What was the experience of the engagements?

Context: Privatisation, health and aged care in Australia

Australia has a universal health insurance scheme: Medicare, which provides all Australians with access to health services at little or no cost (1). Medicare is popular, and political campaigns by the Australian Labor Party (the federal opposition) about the possible privatisation of Medicare in the lead up to the 2016 Federal election generated significant public concern. This lead to the Prime Minister at that time, Malcolm Turnbull, ruling out any privatisation (2). Australian debates about privatisation have also focused upon the aged care sector. Aged care services are overseen by the Commonwealth (national) Government, and are provided by both public and private organisations, including State/Territory and local governments, charitable and not-for-profit organisations, and for-profit companies. In recent years, significant public debate has focused upon the overall quality of aged care in Australia. Much of this debate has focused upon the role of private providers in the aged care sector and associated lack of regulation (3). Public concern about the quality of aged care lead to the establishment of the Royal Commission into Aged Care Quality and Safety in 2018, which recently delivered its final report (4).

COVID-19 in Australia

As at 23 April 2021, Australia had a total of 29, 602 total cases of COVID-19 and 910 deaths. The vast majority of these cases have been in the Australian state of Victoria. On 23 April, Victoria had 20,504 total cases and 820 deaths (5). To date, cases in Victoria have comprised 69% of all cases in Australia and 90% of all deaths.

Victoria experienced a 'second wave' of COVID-19 infections during the Australian winter in 2020 (June-September 2020) which was significantly worse than the initial COVID-19 outbreak in Australia in March. The start of this second wave has been attributed to failures in the hotel quarantine program in Victoria for Australians returning from overseas (6). The COVID-19 outbreak in Victoria resulted in large numbers of deaths within aged care homes. This caused a crisis in the State's aged care sector, as the response to COVID-19 was widely viewed as inadequate and has been attributed to systemic problems within the sector.

Criticisms within Australian of both the hotel quarantine program and the aged care sector response in Victoria have centred upon privatisation. Below, I provide a brief overview of these two aspects of the COVID-19 response in Victoria. This is followed by a list of my references. These are all available online and provide useful further resources for each topic.

Failures in the hotel quarantine program in Victoria and privatisation

Since March 2020, Australia's international borders have been closed to limit exposure to COVID-19. In April 2021, a 'travel bubble' opened, permitting quarantine-free travel between Australia and New Zealand. Apart from this, Australians are banned from travelling internationally unless they gain an exemption. Most returning Australians have to spend a mandatory 2 weeks in quarantine in hotels (unless returning from New Zealand).

The COVID-19 second wave in Victoria was caused by breaches in hotel quarantine that lead to the infection of private security guards (6). The infection control procedures in the program were inadequate, and security guards subsequently became infected and spread COVID-19 to their friends and family (6). By May 2020, Australia as a whole was dealing with COVID-19 effectively and there had only been 19 deaths in Victoria. In July 2020, cases were climbing in Victoria and it was becoming apparent this was due to failures in the hotel quarantine program. The hotel quarantine program has been the focus of widespread criticism, and has been labelled a 'bungle' and 'shambolic' (7, 8). The Victorian government established a judicial inquiry in the hotel quarantine program on 2 July, which reported in December 2020 (6).

Criticism of the Victorian hotel quarantine program has centred upon the fact that management of the program was outsourced to private security firms. Private security firms were engaged by the Victorian Government to run the hotel quarantine program without a formal tender process. Kaine and Emmanuel (2020) provide a summary of problems in the private security industry in Australia which they link directly to failures in the hotel quarantine program (8). They highlight extensive labour force issues including a low-skilled workforce, underpayment of wages, health and safety problems and widespread sub-contracting or 'sham contracting'. Sham contracting is where employers hide an employment relationship by hiring someone as an independent contractor, to avoid paying entitlements. The process of sub-contracting work by larger companies to smaller companies reduces accountability and control and increases pressure to reduce wages (8). In the Victorian hotel quarantine program, at least one security company sub-contracted work to a smaller firm.

The reliance upon private contractors has been linked with inadequate training provided to security guards, as the responsibility for providing training about infection control and use of Personal Protective Equipment (PPE) was outsourced to private security firms, rather than provided by the Victorian Department of Health (9).

In terms of engaging with private health sector, one major area of criticism has been that, in choosing to use private security firms, the Victorian government did not engage the *health* sector at all in the hotel quarantine program. The lack of trained infection control nurses in the hotel quarantine program in Victoria has been highlighted, as has the inadequacy of relying upon security services instead of trained health professionals (10).

Failures in the aged care sector in Victoria and privatisation

The vast majority of the deaths in Victoria from COVID-19 have been in the aged care sector. As at 23rd April 2021, Australia has a total of 685 COVID-19 deaths in residential aged care, of which 655 (95%) have occurred in Victoria (11). Although Australia has a low COVID-19 death rate compared to other countries in the world, 75% of all COVID-19 deaths have been in aged care, giving the country one of the highest death rates in residential aged care as a percentage of total deaths (12).

COVID-19 clusters in Victorian aged care homes increased dramatically in July 2020, and individual aged care homes that had high numbers of cases were the focus of intense media scrutiny. COVID-19 outbreaks in aged care in Victoria have mostly occurred in private aged care homes (13). In September 2020 it was reported in Australian media that more than 40% of Victorian aged care deaths occurred in only 10 private aged care homes (14).

COVID-19 has exacerbated existing problems in the aged care sector in Australia that relate to privatisation (12). In Australia, aged care is regulated by the Commonwealth (national) government, rather than by State Governments. Australian aged care homes are either

Government-subsidised or private (where residents pay the costs) (3). The majority of aged care homes in Australia are run by private companies.

Privatisation in the aged care sector has given rise to systemic problems which predate COVID-19. The Royal Commission into Aged Care Quality and Safety has reported a culture of neglect, lack of resources, poor quality services, and a lack of accountability and transparency by governing, regulatory and provider organisations (3, 15). The Royal Commission has also produced a special report relating to COVID-19 (16). A lack of regulation means many aged care homes (unlike childcare, hospitals and schools) operate with no minimum staff-resident ratios. Unions and professional associations such as the Australian Nursing and Midwifery Association have had long-standing campaigns to mandate minimum staff-resident ratios (17).

COVID-19 poses greater risks to older population groups, so it is crucial that older people are not exposed to the virus. The privatisation of the aged care sector poses a number of problems in regard to this. Privatisation has led to a highly casualised labour force in aged care. Staff do not have access to entitlements such as paid sick leave and are therefore more likely to go to work when they are unwell, or to isolate if they feel mild cold-like symptoms. They are also more likely to work across multiple care homes, which can lead to spreading the virus. Where there are no minimum staff ratios, management are more likely to cut staff to reduce costs (3).

Furthermore, attention has focused on the Commonwealth Governments' reliance upon self-regulation in aged care, which has allowed private providers to conduct 'self-assessments' of their own COVID-19 preparedness (18). Findings from a survey of aged care workers about COVID-19 in aged care conducted by the Australian Nursing and Midwifery Federation showed that over three quarters of respondents reported that staffing of aged care homes had not been increased for dealing with COVID-19 (19).

Conclusion

Failures in both the hotel quarantine program and the aged care sector in preventing and containing COVID-19 have been attributed to privatisation in both sectors. In the hotel quarantine program, the Victorian Government's willingness to outsource the management of the program to private security providers, including the provision of infection control training and PPE, has shined a light on problems that arise when the work of governments is handed over to the private sector. In aged care, pre-existing problems in a sector which was already poorly regulated and heavily reliant on the private sector were exposed. A relatively high number of deaths occurred in private aged care homes which were attributed to inadequate management, a lack of resources and ineffective regulation. In both cases, attention has focused on labour force issues that are present in privatised industries: including casualisation, sham contracting, lack of entitlements and poor-quality training, and how these issues have contributed towards the spread of the pandemic.

References / Online resources

1. Boxall A. Explainer: what is Medicare and how does it work? . The Conversation. 2014 January 31, 2014.
2. Duckett S. Is Medicare under threat? Making sense of the privatisation debate The Conversation. 2016 June 23, 2016.
3. Dick S. Coronavirus explainer: How does Australia's aged care system work? The New Daily. 2020 July 30 2020.

4. , The Royal Commission into Aged Care Quality and Safety. Final Report: Care, Dignity and Respect. Canberra: Commonwealth of Australia 2021.
5. , Australian Government, Department of Health. Coronavirus (COVID-19) current situation and case numbers Canberra, Australia: Commonwealth of Australia, Department of Health 2020 [Available from: https://www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert/coronavirus-covid-19-current-situation-and-case-numbers.
6. , COVID-19 Hotel Quarantine Inquiry. Final Report and Recommendations, Volume I Melbourne, Victoria; 2020.
7. Silva K. Mistakes in Victoria's 'shambolic' hotel quarantine program laid bare after three weeks of evidence in inquiry: Australian Broadcasting Corporation 2020 [Available from: https://www.abc.net.au/news/2020-09-05/mistakes-in-shambolic-hotel-quarantine-program-laid-bare/12616682.
8. Kaine S, Josserand E. Melbourne's hotel quarantine bungle is disappointing but not surprising. It was overseen by a flawed security industry. The Conversation. 2020 July 8 2020.
9. , Australian Associated Press - Special Broadcasting Service Victoria Police 'preference' influenced call to use private security in hotel quarantine, inquiry hears: Special Broadcasting Service 2020 [Available from: https://www.sbs.com.au/news/victoria-police-preference-influenced-call-to-use-private-security-in-hotel-quarantine-inquiry-hears.
10. Dick S. Victoria's COVID quarantine debacle could have happened in any state: WHO doctor. The New Daily. 2020 Aug 22 2020.
11. , Australian Government, Department of Health. COVID-19 cases in aged care services – residential care Canberra, Australia: Australian Government, Department of Health; 2020 [Available from: https://www.health.gov.au/resources/covid-19-cases-in-aged-care-services-residential-care.
12. Cousins S. Experts criticise Australia's aged care failings over COVID-19. The Lancet. 2020;396(10259):1322-3.
13. Handley E. Why are there are more COVID-19 cases in private aged care than the public sector? : Australian Broadcasting Corporation; 2020 [Available from: https://www.abc.net.au/news/2020-08-01/why-more-covid-19-cases-in-private-aged-care-than-public-sector/12503212.
14. Davey M, Butler B. Revealed: more than 40% of Victorian coronavirus aged-care deaths were residents in just 10 homes The Guardian (Australia Edition) 2020 7 September 2020.
15. , Royal Commission into aged care quality and safety. Interim report: Neglect. Canberra, Australia: Commonwealth of Australia; 2019.
16. , Royal Commission into Aged Care Quality and Safety. Aged care and COVID-19: a special report. Canberra, Australia: Commonwealth of Australia; 2020.
17. , Australian Nursing and Midwifery Association. Ratios for Aged Care - Make Them Law Now Melbourne, Victoria: Australian Nursing and Midwifery Association; 2020 [Available from: http://anmf.org.au/campaign/entry/ratios-for-aged-care.
18. Holland-Batt S. During the pandemic, Australia's aged care regulator has been toothless and plainly negligent The Guardian (Australia edition) 2020 8 October 2020.
19. , The Australian Nursing and Midwifery Federation National COVID-19 in Aged Care Survey- Final Report. Melbourne, Australia: The Australian Nursing and Midwifery Federation 2020.