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Australian Government
Aged Care Financing Authority

2017-18 OPERATIONS REPORT OF THE AGED CARE FINANCING AUTHORITY

INTRODUCTION

This is the sixth annual operations report for the Aged Care Financing Authority (the Authority). This report covers the period 1 July 2017 to 30 June 2018.

The operations report has been prepared pursuant to the *Committee Principles 2014* issued under the *Aged Care Act 1997*. Section 10.7 of the *Committee Principles 2014* requires that:

- 1) The Aged Care Financing Authority must, as soon as practicable after the end of each financial year, prepare and give to the Minister a report on the operations of the Authority during that year.
- 2) As soon as practicable after giving the report to the Minister, the Aged Care Financing Authority must publish a copy of the report on the Authority's website.

ESTABLISHMENT OF THE AUTHORITY

Background

The Authority was established on 1 August 2012. Its role is to provide independent, transparent and evidence based advice to the Australian Government on the sustainability and viability of the aged care sector. During the reporting period, Secretariat support was provided by the Funding Policy and Prudential Branch of the Residential and Flexible Aged Care Division within the Department of Health.

Authority Membership

The members of the Authority during the reporting period were:

Ms Lynda O'Grady (until 30 April 2018)	Chairman
Mr Mike Callaghan (from 1 May 2018)	Chairman
Mr Nicholas Mersiades	Deputy Chair
Mr Ian Yates	Member
Mr Gary Barnier	Member
Professor Graeme Samuel AC (until 14 August 2017)	Member
Mr John Pollaers	Member
Dr Mike Rungie	Member
Ms Susan Emerson	Member
Ms Louise Biti	Member

There were three non-voting Government representatives on the Authority during the reporting period.

Ms Margot McCarthy (until 31 January 2018)	Deputy Secretary of the Ageing and Aged Care Group Department of Health
Mr Jaye Smith (from 1 February 2018)	First Assistant Secretary of the Residential and Flexible Aged Care Division
Ms Kim Cull (until 20 May 2018)	Aged Care Pricing Commissioner
Mr John Dicer (from 21 May 2018)	Aged Care Pricing Commissioner
Ms Jessica Mohr (from 30 June 2017)	Department of the Treasury

Authority Operations

The Authority met eight times during the reporting period:

- 10 August 2017;
- 14 September 2017;
- 7 December 2017;
- 7 February 2018 (Strategy Day);
- 8 February 2018;
- 26 April 2018; and
- 5 June 2018.

The *Committee Principles 2014* and Operating Framework outline the Authority's responsibilities in performing its functions. This includes the Authority's ability to request research when formulating advice to the Minister, and the requirement that the Authority's research and advice is published.

Key activities during the 2017-18

Task	Progress/Key Dates
The Authority's 2017 annual report on the funding and financing of the aged care sector	On 26 July 2017 the Authority delivered the report to Government.

Communication and Engagement with the Aged Care Sector

During the reporting period, the Authority held meetings and forums with representatives from the investment and financing sectors, providers, consumers and peak bodies. These wide spread consultations are critical to the Authority's understanding of the key issues, developments and challenges facing the industry.

The Authority will continue with its engagement program over the next 12 months, with a particular focus on the understanding and analysis of the aged care sector to ensure its long-term sustainability and viability.

In September 2017, the Authority held Roundtables in Sydney and Melbourne with members of the investment and financing community. These Roundtables allowed the Authority to share the findings of its fifth annual report and hear stakeholder views on key issues facing the sector, including longer term challenges facing the sector. Over 60 representatives from various organisations participated in the Roundtables.

Other Stakeholders

The Authority presented at various forums during 2017-18. Stakeholder engagement continues to be a vital activity to inform the Authority's ongoing key activities and subsequent advice to Government. Forums attended during 2017-18 include: The Aged and Community Services Queensland Finance Forum

- The Australia's Future of Aged Care Summit;
- The 2017 Australian Palliative Care Conference;
- The Australian Assistive Technology Association;
- The Leading Age Services Australia National Congress;
- The 2017 China-Australia Aged Care Forum;
- The National Retirement Living Summit; and
- The Aged Care Workforce Forum.

Contractors and Consultants

The following firms were engaged to provide services for the Authority.

Contractor	Description
KPMG	ACFA Consumer Finance Project
Callida Consulting	Review and provide accounting advice on the 2018 Aged Care Financing Authority annual report on the Funding and Financing of the Aged Care Sector.
Inklab	2018 ACFA Report
Tempo Strategies	Strategy Day for the Aged Care Funding Authority

ACFA Work Plan

Project	Key date
2019 Annual Report on the funding and financing of the aged care sector	30 June 2019
Report on respite for aged care recipients	31 July 2018
Report on understanding how consumers plan and finance aged care	31 August 2018