

2018-19 OPERATIONS REPORT OF THE
AGED CARE
FINANCING AUTHORITY

# Introduction

This is the seventh annual operations report for the Aged Care Financing Authority (the Authority). This report covers the period 1 July 2018 to 30 June 2019.

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 is 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:

| Mr Mike Callaghan AM PSM | Chairman |
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| Mr Nicholas Mersiades | Deputy Chair |
| Mr Ian Yates | Member |
| Mr Gary Barnier | Member |
| Mr John Pollaers | Member |
| Dr Mike Rungie | Member |
| Ms Susan Emerson | Member |
| Ms Louise Biti | Member |
| Mrs Natalie Smith(from 18 February 2019) | Member |
| Prof Mike Woods(from 18 February 2019) | Member |

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

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| --- | --- |
| Mr Jaye Smith | First Assistant Secretary of the Residential and Flexible Aged Care Division |
| Mr John Dicer | Aged Care Pricing Commissioner |
| Ms Jessica Mohr(until July 2018)Ms Jessica Clark(from July 2018 to January 2019)Ms Leah Wojcik(from January 2019) | Department of the TreasuryDepartment of the TreasuryDepartment of the Treasury |

## Authority Operations

The Authority met eight times during the reporting period:

* 17 July 2018;
* 28 August 2018;
* 9 October 2018;
* 20 November 2018;
* 5 February 2019;
* 19 March 2019
* 7 May 2019; and
* 18 June 2019.

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 2018-19

| Task | Progress/Key Dates |
| --- | --- |
| The Authority’s 2018 annual report on the funding and financing of the aged care sector | On 31 July 2018 the Authority delivered the report to Government. |
| ACFA’s Update on funding and financing issues in the residential aged care industry | On 8 October 2018 the Authority delivered its report to Government. |
| Report on respite for aged care recipients | On 31 October 2018 the Authority delivered its report to Government. |
| Report on understanding how consumers plan and finance aged care care costs | On 30 November 2018 the Authority delivered its report to Government. |
| ACFA’s Submission to the Royal Commission into Aged Care Quality and Safety | On 29 April 2019 the Authority delivered its report to Government. |
| The Authority’s 2019 annual report on the funding and financing of the aged care sector | On 7 June 2019 the Authority delivered its sixth 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 November 2018, 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 sixth 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 2018-19. Stakeholder engagement continues to be a vital activity to inform the Authority’s ongoing key activities and subsequent advice to Government. Forums attended during 2018-19 include:

* Council on the Ageing Criterion Conference on Post Budget Aged Care Reform;
* Council on the Ageing Financial Sustainability in Aged Care Conference;
* StewartBrown 2018 Aged Care Finance Forum;
* Aged & Community Services Australia SA Finance & Aged Care Sector;
* Aged & Community Services Australia NSW Finance & Aged Care Sector;
* Aged & Community Services Australia TAS Finance & Aged Care Sector.

## Contractors and Consultants

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

| Contractor | Description |
| --- | --- |
| KMPG | ACFA Consumer Finance Project |
| Inklab | 2019 ACFA Report |

## ACFA Work Plan

| Project | Key date |
| --- | --- |
| 2020 Annual Report on the funding and financing of the aged care sector | 30 June 2020 |