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Australian Government
Aged Care Financing Authority

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
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.

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 Treasury Department of the Treasury Department 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.

Task	Progress/Key Dates
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