



Aged Care Pricing Commissioner
Annual Report

1 JULY 2013 – 30 JUNE 2014



Australian Government

Aged Care Pricing Commissioner

Office Of The Aged Care Pricing Commissioner
Locked Bag 5, Haymarket NSW 1240
Tel: 1300 550 970

Senator the Hon Mitch Fifield
Assistant Minister for Social Services
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with Section 95B-12 of the *Aged Care Act 1997*, I present to you the Annual Report of the Aged Care Pricing Commissioner covering the Commissioner's operations for the year 1 July 2013 to 30 June 2014.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Cull'.

Kim Cull

Aged Care Pricing Commissioner

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Commissioner's Overview

I am pleased to provide the first report on the operations of the Aged Care Pricing Commissioner.

The statutory position was created as part of reforms to the Aged Care Act 1997, which provides at Section 95B the legislative basis for the appointment and functions of the Aged Care Pricing Commissioner. These functions include the approval of proposed accommodation payments that are higher than the maximum amount determined by the Minister, the approval of Extra Service fees, and any other functions conferred on the Commissioner by the Minister or under Commonwealth law.

Certain other statutory instruments further outline the functions of the Commissioner: the Fees and Payments Principles 2014 (No. 2) and the Extra Service Principles 2014.

The Commissioner is also a Government representative on the Aged Care Financing Authority.

Through exercising these functions, the Commissioner contributes to Government objectives to increase the level of transparency in the pricing of residential aged care services, and to ensure that residents receive quality accommodation, care and services where higher or additional prices are paid.

The principal operational focus since assuming the role of the Commissioner in October 2013 has been in creating an application process and assessment methodology leading to decisions by the Commissioner in respect of proposed accommodation prices in residential aged care above the maximum amount determined by the Minister.

In January 2014, the Minister made the Aged Care (Maximum Accommodation Payment Amount) Determination 2014, which provides that the maximum amount that a provider may charge a care recipient without approval from the Commissioner is \$550,000 as a Refundable Accommodation Deposit or its equivalent.

From October 2013, the Commissioner engaged in informal and formal consultation with stakeholders, with public consultation on the application form and application guide conducted in December 2013 – January 2014. Feedback from this public consultation led to further refinement and also fed into other documents and considerations, such as an assessor manual published on the website of the Commissioner. A commitment to minimise any undue regulatory burden on providers by seeking information where explicitly relevant to the assessment of applications while leaving the application process sufficiently open in a complex sector has characterised the approach. As a consequence substantial changes were made to the initial draft application in the context of reducing the burden and red tape for providers.

In addition to the public and targeted consultations undertaken, the Commissioner has published the following documents on the Commissioner’s website at www.acpc.gov.au to enable applications for proposed accommodation payments above the maximum amount determined by the Minister, and to ensure that applicants are aware of the assessment process and guiding considerations:

- [Application Form;](#)
- [Application Guide;](#)
- [Assessor Manual.](#)

The Commissioner also published a response to issues raised during the public consultation on the draft Application Form and Application Guide, and provides answers to frequently asked questions on the Commissioner’s website.

Functions

1. Applications for accommodation payments

In the period since the opening of applications from 31 January 2014 to 30 June 2014 inclusive, 446 individual applications were made for the approval of prices above the maximum amount determined by the Minister.

Of these 446 applications received, 379 were approved during the financial year. No applications were refused. 9 applications were withdrawn by applicants, and a number reframed. This reflects an approach taken by the Commissioner in seeking to work with aged care providers to facilitate the approval of applications where possible, to seek further information where required, or to identify where applications are not likely to succeed as currently framed. As a new regulatory regime in a context where it is regarded as important both for aged care recipients and for industry to understand the regime, this approach is regarded as appropriate.

Information provided to the Commissioner for the purposes of an application for proposed accommodation prices in residential aged care above the maximum amount determined by the Minister is protected information under the Aged Care Act 1997, and is not shared with any other person or agency other than as required by the Aged Care Act 1997.

2. Applications for approval of Extra Service fees

The Commissioner's responsibilities in respect of the approval of proposed Extra Service fees took effect from 1 July 2014. An application form for the approval of Extra Service fees (including increases) is on the Commissioner's website.

3. Internal and external review

Decisions made by the Commissioner in respect of proposed accommodation prices and Extra Service fees are reviewable decisions under the Aged Care Act 1997. In the year to 30 June 2014, no affected person sought a review of a decision by the Commissioner.

4. Freedom of Information requests

The Commissioner received one Freedom of Information request during 2013-14. This request was subsequently withdrawn.

About the Office of The Aged Care Pricing Commissioner

5. Corporate governance

The Commissioner's spending of public money is regulated by the Financial Management and Accountability Act 1997 and Financial Management and Accountability Regulations 1997. Spending must also comply with the Commonwealth Procurement Rules.

The Commissioner exercises expenditure powers under delegation from the Secretary of the Department of Social Services pursuant to s53 of the Financial Management and Accountability Act 1997 (subsequently the Public Governance, Performance and Accountability Act 2013).

7. Budget and staffing

To meet the variability of volume in applications, the Commissioner was supported by up to 9 staff during the 2013-14 year. This included assessment officers and administrative support.

The Commissioner's budget allocation for 2013/14 was \$1.1 million for a 9 month period, which included staff salaries and the Commissioner's remuneration.

6. Performance

The principal means by which performance can be measured relate to the statutory timeframes for making decisions on applications for accommodation payments above the maximum amount determined by the Minister. The Fees and Payments Principles 2014 (No 2) provide that the Aged Care Pricing Commissioner must notify applicants of a decision to approve, or to refuse to approve and application within 60 days of receiving an application. This time period does not include any period during which the Commissioner formally sought further information in respect of an application. All decisions made by the Commissioner were within this 60 day period.

The average time taken to assess an application and make a decision on proposed accommodation prices was 30 days. This time period includes the time taken to seek information from applicants without recourse to a formal request for further information. The approach taken in assessments, with a small number of exceptions, has been to seek the information required to complete an assessment outside the parameters of a formal request. This increases the apparent time taken to process an application. Where this time is discounted, the average time taken to make a decision on an application was 25 days.

The Commissioner will also assess performance through feedback from a Reference Group of stakeholders to be established in the second half of 2014.

Contacts

The **Office of the Aged Care Pricing Commissioner** can be contacted by phone **1300 550 970**, by email on **acpcenquiries@acpc.gov.au**, or by post at:

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Further information about the Aged Care Pricing Commissioner can be found on the Commissioner's website at **www.acpc.gov.au**