Transcript

Aged Care Quality and Safety Commission

Reforming Financial and Prudential Regulation:  
An Update from the Commissioner

**Presented by:**

Janet Anderson PSM

Commissioner, Aged Care Quality and Safety Commission

[*Opening visual of slide with text saying ‘Australian Government with Crest (logo)’, ‘Aged Care Quality and Safety Commission’, ‘Reforming Financial and Prudential Regulation:’, ‘an update from the Commissioner’, ‘Disclosure Standard’, ‘Governance Standard’, ‘Records Standard’, ‘Liquidity Standard’’*]

[*The visuals during this video are of Janet Anderson speaking to camera, with text appearing on screen in relation to what is being said at the time*]

§(Music Playing)§

**Janet Anderson:**

Hello. I’m Janet Anderson, the Commissioner of the Aged Care Quality and Safety Commission. I’m here to talk about the transfer of financial monitoring functions from the Department of Health and Aged Care to us, the Aged Care Quality and Safety Commission.

From 1 July 2023 the Aged Care Quality and Safety Commission will have enhanced functions as part of our role as the independent prudential regulator. The Australian Government has implemented this change following the findings of the Royal Commission into Aged Care Quality and Safety. The Royal Commission recommended that the prudential regulator needs the power to explore issues connected to the financial management of aged care.

[*Text saying ‘Risk to financial viability and the quality of aged care’*]

This change will give us a better understanding of the risks across the aged care sector affecting financial viability and the quality of care.

The Commission’s responsibilities include regulation of the Prudential Standards. The Prudential Standards currently apply to the management and use of refundable accommodation deposits or RADs.

[*Visual of slide with text saying ‘The Prudential Standards’*]

That means that for now the Prudential Standards apply only to residential aged care providers that manage RADs.

The Commission engages with providers that are at risk of not meeting or are not meeting the Prudential Standards and we respond in a way that is proportionate to the level of risk identified. Essentially our approach is aimed at prompting those providers to address any problem areas and to ensure their compliance with the prudential obligations.

In time the Prudential Standards will also apply to residential aged care providers that do not hold refundable accommodation deposits and also to home care and Commonwealth Home Support Program providers.

From 1 July 2023 the Commission will be responsible for reviewing and assessing the Aged Care Financial Report and the financial components of the Quarterly Financial Reports submitted by aged care providers. As part of our analysis we may need to ask you for additional information to better understand your financial position.

Our aim is to help you improve your financial situation, to anticipate issues and apply strategies to reduce financial risks that have the potential to impact quality of care. It’s likely that we will offer guidance and advice to assist providers to take these steps.

In closing I want to underscore how pleased we are to work with you on these matters. The Commission’s new broader responsibilities open up further opportunities for us to collectively build capability across the aged care sector. Please stay connected by subscribing to the Financial and Prudential Regulatory Insights and by exploring the Financial and Prudential web page. You’ll find tools and resources there to support your organisation.

By working together we can help build a more financially resilient aged care sector that improves health and care outcomes for older Australians both now and into the future. Thank you.

§(Music Playing)§

[*Visual of slide with text saying ‘Thank you for your time’, ‘The Commission encourages providers to stay connected. We are available to offer guidance and advice while you are implementing these reforms. You can subscribe to the Financial and Prudential Regulatory Insights newsletter here’, with image of QR code, ‘agedcarequality.gov.au/news-centre/financial-and-prudential-regulatory-insights’*]

[*Closing visual of slide with text saying ‘Australian Government with Crest (logo)’, ‘Aged Care Quality and Safety Commission’, ‘agedcarequality.gov.au’, ‘info@agedcarequality.gov.au’*]

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