

# **PARLIAMENTARY INQUIRY QUESTION ON NOTICE**

**Department of Health and Aged Care**

**Senate Standing Committee on Community Affairs Legislation Committee**

**Inquiry into the Aged Care Bill 2024 [Provisions]**

**21 October 2024**

**PDR Number: IQ24-000175**

**Analysis of saving applied to RAD**

**Spoken**

**Hansard page number: 13, 14**

**Senator: Anne Ruston**

## **Question:**

Senator RUSTON: Yes. Take it on notice, only inasmuch as I'm interested in whether you had taken into consideration that, originally, 17.5 per cent was the taper rate as it related to the non-clinical care contribution. Obviously, it's now 7.8 per cent, but it's a significantly higher taper than the current taper, when it comes to the no other means-tested care fee, which is one per cent and then into two per cent. It's now 7.8 per cent. I'm just interested to understand whether you've got a situation where the treatment of the refundable accommodation deposit was going to have a minimal impact on somebody's finances when it came to the assessment of the RAD?

At one per cent, \$1,000 for every \$100,000 would have been the treatment in relation to the means-tested care fee.

You're now proposing for that to be \$7,800 for every \$1,000?

## **Answer:**

The treatment of Refundable Accommodation Deposits (RADs) and Refundable Accommodation Contributions (RACs) do not change under the new Aged Care Bill. RADs and RACs are assessable assets under the current residential aged care means test and will continue to be assessable assets under the new Aged Care Bill. They are treated in the same way as other assets (with the exception of the former family home which is capped) for the purposes of the means test. Because they are treated in the same way as other assessable assets, changes to the asset taper rates, which apply to RADs and other assessable assets equally, will have no change on incentives to choose a RAD or a DAP.

Due to the structure of the residential aged care means test, it is not possible to attribute savings to particular asset types. However, the value of RADs and RACs is included in the modelling of changes to means tests arrangements.