

# **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)**

**03 October 2024**

**PDR Number: IQ24-000138**

## **Refundable Accommodation Deposit reforms**

### **Written**

**Senator:** Marielle Smith

### **Question:**

What changes are being made to Refundable Accommodation Deposits (RADs) as part of the reforms

### **Answer:**

As part of the reforms, residential aged care providers will be required to retain a small portion of the Refundable Accommodation Deposit or Refundable Accommodation Contribution that is paid by residents. The amount retained will be based on a rate of 2% per annum of the refundable deposit balance and will be deducted monthly. To protect individuals that are in care for a long time, retention amounts can only be deducted for 5 years.

This change will provide an immediate boost to residential aged care accommodation funding and support the necessary investment in capital identified by the Aged Care Taskforce.

The Government has also announced an intention to increase the maximum room price that a provider may charge without prior approval from the Independent Health and Aged Care Pricing Authority (IHACPA) from \$550,000 to \$750,000 from 1 January 2025, consistent with the recommendation of the Aged Care Taskforce. This rate will then be indexed annually. The rules will contain the provisions relating to the level of the maximum room price.