



THE SENATE

**STANDING COMMITTEE ON COMMUNITY AFFAIRS**

**Legislation Committee**

**Rockpool Residential Aged Care response**

**Question:** *Could you please provide the actual cost of the operation of a room in one of your facilities, with particular regard to cost of capital, depreciation, operation and maintenance of the room on an annual basis?*

**Answer:** *It is difficult to provide a figure on the operational cost of running a room on a per annum basis without providing extensive context. This is dependent on location (regional, remote, metro), access to workforce; resident payment type and supplements; AN-ACC assessments and re-assessment availability, cost of capital and access to builders and maintenance teams along with the age of the building and depreciation. Current capital cost to build one new bed in metro QLD is \$500 000+ . This is prior to operations commencing. It is important to note, volatility in the market is continuing which adds to the complexity to developing residential aged care. Buildings are depreciated at 2.5% per annum (statutory depreciation).*

*Having clearly defined new legislation with rules under the act (financial taskforce) is critical so that we can model our business depending on location and access to the above critical components to ensure viability balanced with the pace at which the taste of consumers is changing. Our funding model needs to be able to maintain this pace.*