

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**SOCIAL SERVICES PORTFOLIO**  
**2014-15 Additional Estimates Hearings**

**Outcome Number: 3.4 Residential and Flexible Care Question No: SQ15-000220**

**Topic: Higher accommodation payment**

**Hansard page: Written**

**Senator Polley, Helen** asked:

Please provide the number of providers who have been approved to receive higher Accommodation Payments due to Significant Refurbishment? By State/Territory.  
Please provide the number of providers who have NOT been approved to Accommodation Payments due to Significant Refurbishment.  
Why were they not approved?  
What is the budgeted amount for the supplement?  
How is the supplement funding tracking in terms of the Budgeted amount?

**Answer:**

1. As at 2 April 2015 a total of 202 approved providers have had applications for the higher accommodation supplement approved. The approved applications were for both completed significant refurbishments and pre-approved significant refurbishments\*. The approved applications were made in respect of 278 services located in the following states and territories:
  - New South Wales – 92
  - Victoria – 73
  - Queensland – 50
  - South Australia – 23
  - Western Australia – 23
  - Tasmania – 10
  - Australian Capital Territory - 4
  - Northern Territory - 3

*\*Approved to receive the higher accommodation supplement subject to meeting the eligibility requirements upon completion of the refurbishment.*

As at 2 April 2015 an additional 83 newly built services, belonging to 63 approved providers, have been identified as eligible for the higher accommodation supplement. Newly built services are automatically eligible and do not need to apply.

2. For the period to 2 April 2015 a total of 63 approved providers had submitted an unsuccessful application for the higher accommodation supplement in respect of 75 services (58 completed refurbishments and 17 pre-approvals).

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3. Applications for the higher accommodation supplement have not been approved because not all requirements of the *Subsidy Principles 2014* were assessed by the Department as being met. The most common reasons for not approving applications include:
  - that it was not established that the refurbishment provided a ‘significant’ benefit to eligible care recipients or 40 per cent of care recipients receiving care in the service;
  - that the refurbishment essentially returned residents’ facilities to a serviceable condition without any ‘substantial or considerable’ improvement in the amenity or quality of accommodation provided to residents; and
  - that the project did not result in the refurbishment or construction of enough care recipient rooms.
4. The higher accommodation supplement was forecast to cost \$589.1 million over four years from 2014-15. This estimate covers the difference between the pre 1 July 2014 accommodation supplement and the new higher accommodation supplement rate. This includes higher payments for newly built services as well as those that are significantly refurbished.
5. The total estimated outlay for the higher accommodation supplement is tracking within original estimates.