

**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: SQ15-000248**

**Topic: Payroll Tax Supplement**

**Hansard page: Written**

**Senator Polley, Helen** asked:

1. Can you provide data outlining how many residential aged care facilities were impacted by the cessation of the Aged Care Payroll Tax Supplement? By State and Territory
2. How many residents did this impact in each state and territory?
3. What is the average loss per resident?
4. How much funding have aged care providers lost, by state and territory?

**Answer:**

1. It is estimated that a total of 1,757 residential aged care services received payroll tax supplement funding at some stage during 2014-15. Table 1 provides a state and territory breakdown of the number of services receiving payroll tax supplement in 2014-15.
2. Residents have not been impacted by the cessation of the Payroll Tax Supplement. The supplement was paid to providers for the purposes of assisting them to meet a state tax liability on their business; it was not paid in respect of an individual resident's care.

Government funding for an individual's care is determined through the Aged Care Funding Instrument (ACFI). The amount of funding provided through ACFI has not changed as a result of the cessation of the payroll tax supplement. Additionally, aged care providers are required to provide individuals with the care they need and the removal of the supplement does not alter that requirement.

The full time equivalent (FTE) number of residents that were in services claiming the supplement in 2014-15 is shown in Table 2. The FTE has been calculated using claim days for the supplement.

3. Residents do not lose anything as a result of the cessation of the payroll tax supplement. The amount that aged care providers are estimated to have claimed on a per FTE resident basis during 2014-15 is shown in Table 3. The level of payment is based on the payroll tax arrangements in each state and territory.
4. At Budget 2014-15 the Government estimated that ceasing payroll tax supplement payments to eligible residential aged care providers would save \$654 million over four years.

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The total amount of payroll tax supplement claimed between July and December 2014 is estimated at \$99.1 million. Table 4 provides a state and territory breakdown of the amount of supplement claimed.

**Table 1: Services receiving payroll tax supplement, by state and territory, 2014-15**

<b>State/territory</b>	<b>Number of services</b>
NSW	517
VIC	487
QLD	319
WA	211
SA	172
TAS	36
ACT	11
NT	4
<b>Total</b>	<b>1,757</b>

**Table 2: Residents in services claiming payroll tax supplement, by state and territory, 2014-15**

<b>State/territory</b>	<b>FTE residents</b>
NSW	34,553
VIC	29,806
QLD	20,392
WA	12,224
SA	10,963
TAS	1,922
ACT	816
NT	112
<b>Total</b>	<b>110,789</b>

**Table 3: Payroll tax supplement per FTE resident, by state and territory, 2014-15**

<b>State/territory</b>	<b>Payroll tax supplement (\$ per day)</b>
NSW	5.20
VIC	5.96
QLD	3.81
WA	4.56
SA	3.84
TAS	2.09
ACT	5.79
NT	2.70
<b>National Average</b>	<b>4.89</b>

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**Table 4: Payroll tax supplement payments, by state and territory, 2014-15**

<b>State/territory</b>	<b>Payroll tax supplement (\$)</b>
NSW	32,880,408
VIC	32,483,421
QLD	14,222,998
WA	10,204,004
SA	7,703,017
TAS	733,698
ACT	864,516
NT	55,439
<b>Total</b>	<b>99,147,500</b>