

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2015 - 2016, 10 February 2016

Ref No: SQ16-000106

OUTCOME: 11 – Ageing and Aged Care

Topic: Subsidies

Type of Question: Written Question on Notice

Senator: Polley, Helen

Question:

- a) Please outline how the subsidies/supplements are calculated?
- b) What consideration has been made for wages, superannuation, travel, training, professional development? If any, please provide a breakdown.

Answer:

- a) The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year in accordance with the provisions of the *Aged Care Act 1997*, the Subsidy Principles 2014 and the Aged Care (Subsidy, Fees and Payments) Determination 2014. There is no single method of calculation for subsidies and supplements.
- b) In determining these rates, the relevant underlying cost drivers (e.g. the proportion of wage and non-wage costs within the total cost) are taken into consideration. It is not intended, however, that the rates directly reflect wages and other costs because the composition of wages and other costs varies between providers, and in addition the rates maintain incentives for providers to manage efficiently and for productivity gains to be pursued.