

Arpad Aged Care Facility

Accommodation Policy



Purpose

People living in residential aged care may need to pay one or more fees to cover the cost of their care. These include the basic daily fee, a hotelling contribution, a non-clinical care contribution and an accommodation payment. This policy is about payments for the cost of accommodation.

Older Australians entering aged care have flexibility and choice in how they pay for their accommodation costs. All residents who can afford to (according to Commonwealth means testing) have the choice to pay for their accommodation through a daily accommodation payment (**DAP**), a refundable accommodation deposit (**RAD**), or a combination of both. Otherwise, a refundable accommodation contribution (**RAC**) and a daily accommodation contribution (**DAC**) can be payable by those whom the Commonwealth Government deems can provide a part-contribution towards their care. Aged care providers cannot choose between aged care recipients on the basis of how they elect to pay for their accommodation, or their individual circumstances.

This policy outlines the prices that Arpad Aged Care (“Arpad”) will charge residents for each room or group of rooms within the facility. The purpose of this Accommodation Pricing Policy is to ensure that Arpad meets all legislative requirements set out by the Commonwealth Government to set a pricing accommodation policy for the facility.

Objectives

Policy objectives for Arpad’s Accommodation Pricing Policy are:

- Produce a clearly written and understood policy
- Provide a background to the legislation
- Satisfy Commonwealth legislation requirements
- Set a recommended RAD, DAP and combination of the two
- Create a baseline policy for all staff to understand, interpret and implement the policy objectives

Policy Framework

The legislative framework for this policy is the Aged Care Act 2024. This Act details all of the current legislative requirements around administering, setting and managing RADs, DAPs and contributions.

In developing this Accommodation Pricing Policy, Arpad considered several key factors relevant to pricing, including historical trends, real estate prices and other market related statistics.

Arpad Aged Care Facility Accommodation Policy (continued)

Each of Arpad's rooms is enabled for NBN and Duna TV connection, and equipped with a television, bed, bedside drawers, overbed table, chair and built in robes.

Arpad has set the following pricing for each of the following categories of rooms:

| Category # | Description of room type | Room price (or full RAD) | DAP | Example combination of both | |
|------------|--|--------------------------|----------|-----------------------------|---------|
| | | | | RAD | DAP |
| Top | Single Room + Private Ensuite (>20m ²) | \$650,000 | \$136.23 | \$325,000 | \$68.11 |
| Cat. 2 | Single Room + Private Ensuite (17-19m ²) | \$625,000 | \$131.00 | \$312,500 | \$65.50 |
| Cat. 3 | Single Room + Private Ensuite (14-16m ²) | \$600,000 | \$125.75 | \$300,000 | \$62.88 |
| Cat. 4 | Shared Room + Shared Ensuite (27m ²) | \$300,000 | \$62.88 | \$150,000 | \$31.44 |

The refundable accommodation deposit (**RAD**) is a one-off lump sum paid when you arrived at the facility. A 2% per annum retention (capped at 10%) will be deducted from your paid RAD or RAC over a maximum of 5 years.

The daily accommodation payment (**DAP**) is like a rental payment that you can pay instead of all or part of the room price. It is non-refundable. It is calculated based on the RAD at a government set interest rate (maximum permissible interest rate) on your admission (which is currently 7.65 %) and is indexed in March and September each year for those entering permanent residential care for the first time from 1 November 2025 or who are otherwise under the 1 November 2025 fee arrangements.

Using the example of a room price of \$650,000, the maximum RAD would be \$650,000 with an equivalent DAP of \$136.25. It is possible to combine a lump sum payment (RAD) with a daily accommodation payment (DAP). An example of a combination RAD/DAP arrangement in that example would be to pay a lump sum RAD of \$325,000 and a DAP of \$68.11

More information

Aged care fees are difficult to understand, and different arrangements apply to people that are assisted by the Australian Government through Services Australia. Please call our manager on (03) 9801 0855 if you would like to talk about your options.