



**Australian Government**

**Department of Social Services**

## Accessing a higher level of Accommodation Supplement.

Guidelines for newly built and significantly refurbished residential aged care services.

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## Purpose of the Guidelines

The Department of Social Services has developed these Guidelines to assist approved providers to:

- determine their eligibility for the higher level of Accommodation Supplement that applies to aged care homes that have been newly built or significantly refurbished on or after 20 April 2012, and
- apply for the higher supplement for a significantly refurbished service.

These Guidelines should be read in conjunction with Part 2 of the *Subsidy Principles 2013 (Subsidy Principles)*. The Principles set out the application process to seek a determination from the Secretary of the Department of Social Services that a residential care service is significantly refurbished, and the factors the Secretary will consider when making the determination.

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## **Part 1. Higher Level of Accommodation Supplement**

### **1.1 The Accommodation Supplement**

As part of the aged care reforms, approved providers who build or significantly refurbish a residential care service on or after 20 April 2012, may receive the higher Accommodation Supplement for supported, concessional or assisted care recipients from 1 July 2014. The maximum level of Accommodation Supplement is estimated to increase to \$52.49 on 1 July 2014 (2014 prices).

The process for determining eligibility is set out in the *Subsidy Principles 2013*.

### **1.2 Critical Dates**

A residential care service will be eligible for the higher level of Accommodation Supplement if it was built or a significant refurbishment is completed on or after 20 April 2012. Where the work requires an occupancy certificate to be issued, the completion date will be taken to be the date that a final occupancy certificate/permit was issued. Where no occupancy certificate will be issued, the completion date is the date identified by the approved provider as the date from when it is suitable for occupancy.

Higher levels of the Accommodation Supplement will be payable from 1 July 2014 for final applications received and approved before 1 July 2014. For final applications received and approved after 1 July 2014, a higher level of Accommodation Supplement will be payable from the date the application is received in the Department.

### **1.3 Submitting applications**

Applications will be received by the Department from 1 April 2014 if (as intended) the *Subsidy Principles 2013* have been made before that date and may be submitted to:

Department of Social Services  
MDP 454  
GPO Box 9848  
CANBERRA ACT 2601

### **1.4 Enquiries**

A list of frequently asked questions (FAQ's) is at the end of this document and fact sheets are available at [www.xxx.com.au](http://www.xxx.com.au)

Should you require additional information, please contact the Department of Social Services

### **1.5 Eligibility**

The higher level of accommodation supplement will not be paid unless the following eligibility criteria are met **at the service level**:

- The service must meet the pre-end-July 1999 or post-end-July 1999 building requirements (as applicable);
- The Secretary of the Department of Social Services has determined that the service has been newly built or significantly refurbished on or after 20 April 2012.

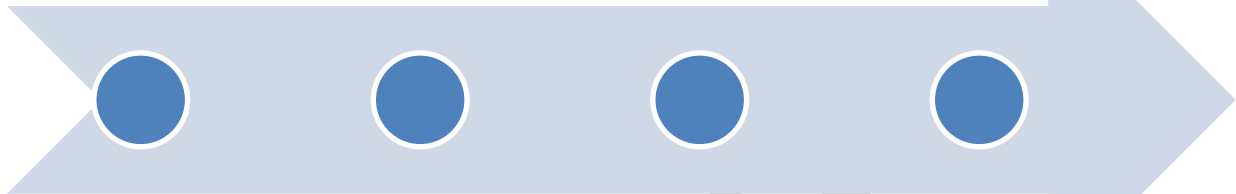
### **1.6 Approved Provider Pathway**

For newly built services the Department will determine that the service is newly refurbished from information provided by the provider through the existing process for seeking a determination that an allocation of places take effect under section 15 of the *Aged Care Act 1997*.

For significantly refurbished services the process is as shown below.

**Self assess** your project against the definition of Significant Refurbishment

**Payments** for the maximum level of Accommodation Supplement from **1 July 2014**



**Complete Application** The Department of Social Services will accept applications from **1 April 2014**

The earliest payment eligibility date for **applications received after 1 July 2014** will be the date the application is received in the Department

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## **Part 2. Applications regarding a significantly refurbished service**

To assist with planning, approved providers may seek Pre-approval for a proposed refurbishment (including extensions such as a new wing) prior to commencement of a project. In the *Subsidy Principles 2013* this is described as “approval subject to conditions”. However, the Secretary will **not** make a determination that a service is eligible for a higher level of accommodation supplement on the basis that the service is significantly refurbished, and the higher accommodation supplement will **not** be payable, until the approved provider has submitted an application for Final Approval and the Secretary has confirmed the conditions have been met. The application for Final Approval can only be submitted once the project is complete or the refurbishment is sufficiently advanced to qualify.

### **2.1 Pre-approval**

Approved providers may elect to apply for Pre-approval to assist with project planning. In making a determination, the Secretary of the Department of Social Services will review the information required with the application.

The Secretary’s determination will be based on whether the information provided demonstrates that the project, on completion, will meet the conditions set out in the *Subsidy Principles*.

### **2.2 Final approval**

Final applications for a higher level of accommodation supplement may only be submitted after completion of the project or where the refurbishment is sufficiently advanced to qualify based on completed work. The Secretary’s determination that the service is a significantly refurbished service occurs only after a final application has been assessed and approved. The assessment of the final application is to confirm the basis on which the Pre-approval was granted (where applicable), and to confirm that the approved provider has met the conditions of the *Subsidy Principles 2013* in accordance with the information supplied by the approved provider, and relied on by the Department. Refurbishment projects which have not met the conditions of the *Subsidy Principles 2013* will not have their final application approved.

### **2.3 Assessment of applications**

When applying for a higher level of the Accommodation Supplement, approved providers will be required to confirm and substantiate how they have met the conditions within the

*Subsidy Principles 2013*. The guidelines that follow will assist approved providers in assessing their eligibility and completing their Pre-approval and Final approval applications.

Note that once the service has been assessed against the conditions within the *Subsidy Principles 2013* and deemed eligible for the higher Accommodation Supplement, eligibility will be retained for the life of the residential care service unless:

- the service ceases to be certified; or
- the RACS ID of the Significantly Refurbished residential care service is merged with the RACS ID of a residential care service that has not been determined by the Secretary to be a Significantly Refurbished service. A new application and approval would be required in respect of the merged service to determine if the merged service qualifies based on work previously undertaken in the separate services.

## **2.4 Additional Information**

In some cases, and in order to verify information within the approved provider's application for a higher level of the Accommodation Supplement, additional information may be requested.

## **2.5 Appeal processes**

Approved Providers must submit their Pre-approval and/or Final approval applications for a higher level of Accommodation Supplement to the Department.

The Department will work with approved providers to complete its assessment of those applications in a timely manner, as set out in the *Subsidy Principles 2013*.

The Department will notify an approved provider of the outcome of their Pre-approval application. If the application is unsuccessful, an approved provider can contact the Department and request more feedback on their Pre-approval application.

In accordance with the *Subsidy Principles 2013*, and after receiving the final application, the Secretary may determine that the service is significantly refurbished.

A decision by the Secretary to refuse to make such a determination is a decision the applicant can seek to be reviewed.

The steps for a review are set out as follows:

- The applicant's written request for a review of the Secretary's decision must be given to the Secretary within 28 days (or longer if the Secretary allows) of receiving notice of the original decision.
- The applicants request to the Secretary for a review must set out the reasons for making the request.
- The Secretary must respond to the applicant within 90 days or the original decision is taken to stand.



- The Secretary must confirm, or vary, or set aside the original decision to make a new decision.
- The Secretary's decision takes effect on the day specified in the decision on review, or if a day is not specified, on the day on which the decision on review was made.

If the approved provider still does not agree with the Secretary's decision, the approved provider can apply for the decision to be reviewed by the Administrative Appeals Tribunal (AAT).

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## **Part 3. Newly Built Services**

### **3.1 Determination by Secretary**

The Secretary may determine that a service is a newly built residential care service. The Secretary must not determine that a residential care service is a newly built residential care service unless the Secretary is satisfied that the building in which the service is provided was completed on or after 20 April 2012.

In deciding whether the building in which a residential care service is provided was completed on or after 20 April 2012, the Secretary must take into account the date when the final occupancy certificate (or equivalent) was issued for the building.

The service must meet the post-end-July 1999 building requirements.

Where, for example, a new wing or building is added to an existing service this is not considered a newly built service but can be approved as a significant refurbishment.

There are no additional requirements that a newly built service must meet. Accordingly the Secretary will determine if there is a newly built service eligible for the higher accommodation supplement using the existing process where a provider applies to the Department for commencement of operational places under section 15 of the *Aged Care Act 1997*. That is, no separate application process will be required.

## Part 4. Significant Refurbishment

### 4.1 Determination by Secretary

The relevant paragraphs from the exposure draft of the *Subsidy Principles 2013* are set out below:

- 22A.8(3) The Secretary must not determine that a refurbished residential care service is a significantly refurbished residential care service unless the Secretary is satisfied that:
- (a) the refurbishment was completed on or after 20 April 2012; and
  - (b) the alterations, updates, upgrades or other improvements that have been made to the service have resulted in the service being significantly different in form, quality or functionality after the refurbishment; and
  - (c) a significant proportion of the areas of the service that have been refurbished are areas that are accessible to, and for the use of, care recipients who are being provided with residential care through the service; and
  - (d) the refurbishment provides significant benefits to any supported residents, concessional residents and assisted residents who are being provided with residential care through the service; and
  - (e) the cost of the refurbishment would be considered to be capitalised for the purposes of the Australian accounting standards because:
    - (i) the refurbishment consisted of structural improvements; or
    - (ii) the cost of the refurbishment can be depreciated because it relates to fixtures, fittings or anything that can be removed intact; and
  - (f) the refurbishment:
    - (i) has resulted in at least 40% of the care recipients being provided with residential care through the service having a care recipient's room that has been significantly refurbished; or
    - (ii) provides benefits to at least 40% of the care recipients being provided with residential care through the service; or
    - (iii) consisted of an extension to the service involving an increase of at least 25% of the number of care recipient's rooms in the service; and
  - (g) the proportion of the total number of care recipient rooms in the service that are available after the refurbishment for any supported residents, concessional residents and assisted residents is equivalent to, or higher than, the proportion of the total number of rooms in the service that were available before the refurbishment for any supported residents, concessional residents and assisted residents; and
  - (h) the monetary value of the refurbishment is at least the amount worked out by multiplying 40% of the total number of care recipient's rooms in the service (as provided by subsection (5)) by \$25 000.

Note: *Care recipient's room* is defined in section 22A.4 of the *Subsidy Principles 2013*

- 22A.8(4) In deciding whether a refurbishment of a residential care service was completed on or after 20 April 2012, the Secretary must take into account the following:
- (a) if the refurbishment consisted solely of the building of a new accommodation wing—the date when the final occupancy certificate/permit was issued for the new wing;
  - (b) if the refurbishment did not include the building of a new accommodation wing—the date when all work involved in the refurbishment was completed;
  - (c) if the refurbishment consisted of the building of a new accommodation wing and the refurbishment of existing parts of the service—the later of:
    - (i) the date when the final occupancy certificate/permit was issued for the new wing; and
    - (ii) the date when all work involved in the refurbishment was completed;
  - (d) any other matter the Secretary considers to be relevant.

Note: Accommodation wing is defined in section 22A.4 of the Subsidy Principles 2013

- 22A.8(5) For paragraph (3)(h), the total number of care recipient's rooms in a refurbished residential care service is the lower of:
- (a) the total number of care recipient's rooms in the service before the completion of the refurbishment; and
  - (b) the total number of care recipient's rooms in the service after the completion of the refurbishment.
- 22A.8(6) The Secretary must not determine that a residential care service is a significantly refurbished residential care service if the refurbishment consisted only of:
- (a) routine repairs; or
  - (b) maintenance of premises (such as painting, plumbing, electrical work or gardening); or
  - (c) replacement of furniture.

### **Work undertaken to comply with a safety law of a Commonwealth, State or Territory**

Where the refurbishment includes work (eg: installation of fire sprinklers) undertaken to upgrade the facility to meet safety requirements of a Commonwealth, State or Territory law (a 'safety law') that work alone cannot be used to meet the significant refurbishment criteria outlined in the *Subsidy Principles*. Instead other 'significant refurbishment' work must be undertaken that meets those criteria.

However, in determining if the minimum monetary value for the refurbishment has been met for the purposes of paragraph 22A(3)(h) of the *Principles* an amount relating to such costs may be included up to a cap of one third of the estimated costs of such work. *For example, where a refurbishment costs \$1,200,000 including \$300,000 for required sprinkler installation the cost that can be counted against the minimum monetary value test*

would be \$1,000,000 as only \$100,000 (1/3 of \$300,000) of the sprinkler work can be counted.

## **4.2 Application Process**

An application for a determination needs to be submitted on the appropriate form “Application for Higher Accommodation Supplement for a Significantly Refurbished Service”. The form can be downloaded from: [www.xxxxx.com.au](http://www.xxxxx.com.au). Alternatively, contact the Department of Social Services to request that a form be sent to you.

The form may be used for Pre-approval (approval subject to conditions) or Final approval for the higher Accommodation Supplement. Pre-approval has been introduced to assist approved providers with planned investment in the sector in terms of whether the scale and type of project will meet the requirements of the *Subsidy Principles 2013*. In many cases it is expected providers could readily self-assess that a refurbishment project will meet the conditions of the *Subsidy Principles 2013* without needing to seek Pre-approval.

## **4.3 Information requirements for a significantly refurbished service**

Approved providers undertaking a significant refurbishment project will need to complete the self-assessment checklist in the application form, provide advice on the total cost of the refurbishment, and provide a supporting statement describing in general terms the refurbishment work that has been undertaken to resident rooms (including number of rooms affected), to common areas for residents and to areas not used by residents. They should also provide advice on how supported residents (see definitions) benefit from the refurbishment and any parts of the refurbishment that do not benefit supported residents.

Copies of relevant project plans, and site, floor and building plans should also be provided.

### **4.3.1 Pre-approval**

If the approved provider is applying for Pre-approval prior to the refurbishment being undertaken the provider should complete the form on the basis of the expected responses once the refurbishment is completed. Copies of relevant project plans and proposed site, floor and building plans should also be provided.

Once the project has been completed, approved providers need to apply for Final approval before the higher supplement will be payable. If the refurbishment has differed in any material form from that originally proposed then information on these differences must be provided.

## Part 5. Frequently Asked Questions

### *How much Accommodation Supplement will I get?*

**A:** Residential Care Services that:

- have been determined by the Secretary to have been newly built or significantly refurbished on or after 20 April 2012; and
- meet the building requirements<sup>1</sup> set out in Schedule 1 to the Residential Care Subsidy Principles, including fire and safety requirements, and privacy and space requirements for either pre-end-July 1999 buildings or post-end-July 1999 buildings (as applicable);

will receive the maximum amount of Accommodation Supplement of \$52.49 per day (estimated July 2014 rates) for each eligible care recipient.

Residential Care Services that:

- have **not** been determined by the Secretary to have been newly built or significantly refurbished on or after 20 April 2012; and
- meet the building requirements set out in Schedule 1 to the Residential Care Subsidy Principles, including fire and safety requirements, and privacy and space requirements for either pre-end-July 1999 buildings or post-end-July 1999 buildings (as applicable);

will receive a maximum Accommodation Supplement of \$34.06 per day (estimated July 2014 rates) for each eligible care recipient.

Residential Care Services that are not certified will receive no Accommodation Supplement.

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<sup>1</sup> **Privacy and space requirements** specify the number of residents per room, and their access to showers and toilets.

A **Post-end-July1999 building** is a building, or part of a building, for which plans were submitted after 1 July 1999 to a body responsible for building or development approval in the area where the building is located or proposed, for approval to construct or alter the building, or part of the building. A Post-end-July1999 building meets privacy and space requirements if the building has; i) an average of no more than 1.5 residents per room; and ii) no room accommodates more than 2 residents; and iii) no more than 3 residents per toilet; and iv) no more than 4 residents per shower or bath; and v) toilets, showers and baths distributed across the building to ensure equitable and ready access for all residents.

A **Pre-end-July1999 building** is a building or part of a building that is not a post-end July 1999 building. A Pre-end-July1999 building meets privacy and space requirements if the building has i) an average of no more than 4 residents per room; and ii) no more than 6 residents per toilet; and iii) no more than 7 residents per shower or bath; and iv) toilets, showers and baths distributed across the building to ensure equitable and ready access for all residents.

**Fire and safety requirements** are taken to be met if the building is assessed with a score of at least 19/25 for these requirements under the Aged Care Certification Assessment Instrument.

### ***Who are eligible care recipients?***

**A:** An Accommodation Supplement is payable in respect of eligible care recipients.

A care recipient entering care on or after 1 July 2014 will be eligible if their means test means the Government pays all or part of the care recipient's accommodation costs.

For those care recipients in care before 1 July 2014, their eligibility for an Accommodation Supplement is based on the asset test undertaken when they first entered care. Eligible care recipients are defined as concessional, assisted or supported - see definitions.

### ***What if I don't meet the Supported Resident Ratio?***

**A:** Not meeting the supported resident ratio does not prevent the Secretary from determining that the residential care service is either newly built or significantly refurbished. However, if the 'supported resident ratio' in the residential care service is less than the amount set out in the Ministers Determination (currently 40 per cent), the maximum amount of Accommodation Supplement payable is reduced by 25 per cent.

### ***What if my project is completed in Stages?***

**A:** The Department will accept applications from approved providers for a higher level of the Accommodation Supplement where the newly built or existing service's refurbishment project is being completed in stages or on a phased basis.

Where approved providers elect to submit a final application based upon the work of a stage or stages of a larger project, approved providers should satisfy themselves, before submitting that final application, that all the conditions within the *Subsidy Principles 2013*, when applied to the completed stage or stages, have been met, including the monetary threshold.

Applications cannot be based on the inclusion of both completed stages and incomplete stages or stages which are yet to commence.

Where a refurbishment project using a staged implementation commenced before 20 April 2012, and where the most recent stage was completed on or after that date, the total costs of all stages of the project may be counted where it can be demonstrated that all stages of the project were clearly identified in advance, such as within a suitably prepared project plan.

## ***What types of refurbishment will meet the criteria?***

**A:** The *Subsidy Principles 2013* requires that a Significant Refurbishment must provide significant benefits to care recipients particularly supported, assisted and concessional care recipients. Refurbishments to the following areas would be considered to provide a benefit to care recipients and the changes would need to be considered significant rather than minor or maintenance in nature and provide significant benefit to supported residents:

- An upgrade to all care recipient bedrooms and bathrooms.
- An extension to the residential care service available to all care recipients irrespective of their means has been added e.g. a new wing that is not restricted to care recipients receiving care on an extra service basis.
- Improvements to existing external infrastructure such as roofing and drainage, fences, stairs and ramps, automatic doors, landscaping, activity areas, driveways, visitors car parking areas.
- Improvements to existing internal infrastructure such as:
  - privacy and space requirements;
  - doctors consulting rooms;
  - rehabilitation areas;
  - nurse communication, resident-down alarm systems;
  - care recipient bedrooms, bathrooms and en-suites, storage, and finishes;
  - resident common dining, living and recreational areas and finishes;
  - kitchen and food preparation areas;
  - laundry areas; and
  - reconfiguration of internal layout for areas used by care recipients (repair, removal or addition of stairs, walls, doors, ceilings and the associated trades work – plumbing, tiling, electrical, painting, finishing etc.).
- Improvements to furniture, fixtures and fittings for areas used by care recipients (seating, dining furniture, carpets, curtains, etc.).
- Additional or replacement equipment for the use of care recipients or to aid the care or amenity of care recipients such as:
  - beds;
  - ceiling hoists and other care related equipment;
  - rehabilitation equipment;
  - external security systems; and
  - entertainment equipment.

Examples of refurbishments, which are considered to provide benefits to supported, assisted and concessional care recipients include:

- improved care recipient rooms available to supported, assisted and concessional care recipients;
- the availability of care recipient rooms to supported, assisted and concessional care recipients within new accommodation wings; and
- new or improved common areas that are accessible by supported, assisted and concessional care recipients.



### ***What types of refurbishment will not meet the criteria?***

**A:** The parts of a Significant Refurbishment project which are not considered to provide benefits to care recipients include:

- administrative areas;
- vehicle garaging areas; and
- areas for storing cleaning and or maintenance products or equipment for use either internally or externally.

As a guide, the costs of refurbishments to these areas should comprise not more than 10 per cent of the total cost of the Significant Refurbishment. However, this would not preclude approval being given where the cost of these areas exceed this guide but the significance and amount of the changes and expenditure to areas that benefit residents and supported residents meet the rest of the significant refurbishment criteria.

Refurbishment works that *only* improve the above types of areas of a residential care service would not meet the requirements in paragraph 22A.8(3)(c).

Building work, for example, painting, electrical, plumbing, tiling, finishing etc., can be included within a refurbishment project, where the project plan and documentation demonstrates that this building work is part of the significant refurbishment (rather than normal maintenance).

Paragraph 22A.8(6) sets out that a significant refurbishment project that only includes work that would normally be of a maintenance nature, would not be approved.

Approved providers of residential care should not withhold required building maintenance activity pending approval for Significant Refurbishment projects.

### ***What are the monetary thresholds I need to meet?***

**A:** Paragraph 22A.8(3)(h) requires that the refurbishment meets a minimum monetary value. This value will apply regardless of the types of improvements involved or the proportion of rooms that are required to be involved. This is a simple objective test which will be met if the cost of the refurbishment meets or exceeds the amount calculated under the formula.

The prescribed minimum monetary value would be determined by calculating: 40 per cent of the operational places in the facility and multiplying that number by

\$25,000. For example, for a facility with 100 operational places the prescribed minimum monetary value would be  $40\% \times 100 \times \$25,000 = \$1,000,000$ .

This aggregate level calculation based on 40 per cent of total operational places would apply irrespective of whether the refurbishment involves changes to existing care recipient rooms or an extension involving the building of new care recipient rooms.

Subsection 22A.8(5) provides that the number of places used in the calculation is the lower of either the number of places before the refurbishment or the number after the refurbishment.

The minimum monetary value of the Significant Refurbishment includes all the reasonable costs that were necessary to complete the refurbishment project. This includes professional and consultant fees where those fees are clearly linked to the scope of the project.

Fees which are outside of the scope of the project should **not** be included by the approved provider within calculations of the minimum monetary value.

In-house non-project costs to the approved provider such as the costs of management or administration, are deemed to be operational costs of the approved provider and should not be included within calculations of the minimum monetary value. In-house project specific management costs may be considered for inclusion within the minimum monetary value.

***Does my refurbishment have to include a physical extension?***

**A:** No, Paragraph 22A.8(3)(e) includes alternative approaches for dealing with refurbishments of existing residential care services where there is no physical extension, or a physical extension including new and additional care recipient rooms.

For an existing service that does not include a physical extension, either subparagraph 22A.8(3)(e)(i) or subparagraph 22A.8(3)(e)(ii) must be met. Under subparagraph 22A.8(3)(e)(i), the provider would need to demonstrate that the improvements from the refurbishment means that at least 40 per cent of the care recipients have a care recipient room that is significantly refurbished.

A definition of a care recipient's room is included in the *Subsidy Principles 2013*. A care recipient's room means a personal room or part of a room occupied as personal space by a care recipient where this includes the bed used by a care recipient and the areas in the immediate vicinity of the bed. For example, the bedroom and en-suites bathrooms and/or toilets; and the contents of bedrooms and en-suite bathrooms and/or toilets, for example walls, floors, ceilings, windows, equipment, furniture, fixtures, fittings,

coverings. If four care recipients share a room, this is considered to be four care recipient rooms. If one care recipient resides in one room and another in an adjoining room (but with a shared bathroom) this is two care recipient rooms.

For Examples 1 and 2 assume that a residential service is accommodating 100 care recipients in 40 rooms as follows:

40 x two-bed rooms (80 care recipients); 20 x single-bed rooms (20 care recipients)

*Example 1:*

A refurbishment comprising a combination of the following would meet the test in 22A.8(3)(e)(i):

20 x two-bed rooms significantly refurbished (40 per cent of care recipients), or  
10 x two bed-rooms and 20 x single bed-rooms significantly refurbished (40 per cent of care recipients).

Subparagraph 22A.8(3)(e)(ii), is intended to provide for those significant refurbishments which focus on the common areas of a service.

While it is expected that large components of an approved provider's refurbishment will be directed towards bedroom areas within the service, changes to common areas of the residential care service, and common area refurbishments can meet the Significant Refurbishment criteria, though such refurbishments may require more justification and supporting information to be provided. Changes to common areas can be justified through the benefits they will provide for care recipients, such as access to improved facilities and amenities. It should be noted that changes to common areas can be counted in assessing the minimum monetary value test (see paragraph 22A.8(3)(h)).

*Example 2:*

A refurbishment of the service could meet the 22A.8(3)(e)(ii) under the following options:

Refurbish 10 x two bed-rooms (20 per cent of care recipients); and

10 x single bed-rooms (10 per cent of care recipients); and

Significant Refurbishment of common living areas accessible to all care recipients (100 per cent of care recipients).

Where an extension has been made to an existing service, an approved provider could meet sub paragraph 22A.8(3)(e)(iii) rather than (e)(i) or (e)(ii). The cost to build an extension is typically higher than for refurbishments which do not include new accommodation wings. To recognise those higher costs subparagraph 22A.8(3)(e)(iii) only requires that the significant refurbishment increase the number of care recipient's rooms by at least 25 per cent.

*Example 3:*

An existing residential service is comprised of care recipients and their rooms as for Example 1 above.

The service adds an extension in the form of a new accommodation wing with 15 two bed-rooms, noting that this is the equivalent of 30 care recipient rooms. This new wing is greater than the minimum requirement of 25 per cent additional care recipient rooms.

Note that the building of a new wing is considered to be an alteration to an existing service rather than the building of a new residential care service and hence the provider must apply for approval of the new wing as a 'significant refurbishment'.

Where a provider undertakes an extension but does not meet subparagraph 22A.8(3)(e)(iii), a provider could still be determined to have completed a Significant Refurbishment if, in combination with the additional care recipient rooms in the new wing, the approved provider also elects to make additional improvements to the existing residential care service.

*Example 4:*

The service in Example 3 adds an extension of 10 two-bed rooms (20 care recipient rooms), noting that this number is insufficient to meet the test of paragraph 22A.8(3)(e)(iii).

However in addition to the extension, the service also makes refurbishments to its existing care recipient rooms as follows: 10 x two bed-rooms (20 care recipient rooms) and 10 x single bed-rooms (10 care recipient rooms).

The total number of care recipient rooms involved in the refurbishment is 50. As this is the equivalent of 50 per cent of the initial number of care recipient rooms, the refurbishment will meet the test of both 22A.8(3)(e)(i) and (e)(ii).

## Variations in the level of refurbishment

While paragraph 22A.8(3)(e) requires Significant Refurbishment to a number of care recipient rooms so as to benefit a minimum proportion of care recipients, the Department accepts that there may be differences in bed and bedroom or bedroom equipment condition across the residential care service prior to refurbishment. These differences in condition or standard may mean the approved provider plans the refurbishment in a manner that directs more expenditure to those areas in greatest need. In all cases the full Significant Refurbishment criteria still need to be met.

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## **Part 6. Definitions**

### ***Accommodation Wing***

Includes a building; or a floor or level of a building, or an annex to a building that is used to provide accommodation for a care recipient being provided with residential care through the service.

### ***Benefit***

A measurable positive impact of change.

### ***Care recipient's room***

- Means a room, or a part of a room, in the service that:
  - is intended to be occupied as personal space by an individual care recipient; and
  - contains a bed to be used by the care recipient; and
- includes:
  - the areas that are in the immediate vicinity of the bed in the room or the part of the room; and
  - the contents of the room or the part of the room (including the walls, floors, ceilings, windows, equipment, furniture, fixtures, fittings and coverings); and
  - an en-suite, or a shared bathroom and toilet, that is for the use of a care recipient being provided with accommodation in the room or the part of the room.

### ***Direct Benefit***

A benefit that is experienced directly by care recipients as a result of change.

### ***Extension***

The new and additional part of an existing residential care service .e.g. a new wing.

### ***Indirect Benefit***

An impact of change that is not directly experienced by care recipients

### ***Operating Expenditure***

*An outlay of funds by the approved provider resulting in benefits received within one year.*

### ***Plant and Equipment***

Includes non-current assets used in providing the aged care related services.

### ***Supported, concessional and assisted residents***

Supported residents are those who:

- entered care for the first time on or after 20 March 2008, or who re- entered care on or after 20 March 2008 after a break of more than 28 days (referred to as post-20 March 2008 residents); and
- have assets equal to or less than an amount determined by the Secretary to be the maximum asset threshold for supported resident status.

Concessional residents are those who:

- entered care before 20 March 2008 and who have not re-entered care on or after 20 March 2008 after a break of more than 28 days; and
- receive an income support payment from Centrelink or the Department of Veterans' Affairs (DVA); and
- have not owned a home for the last two or more years (or whose home is occupied by a 'protected' person, for example, the care recipient's spouse or long term carer); and
- have assets of less than 2.5 times (or if the resident entered care after 20 September 2009, 2.25 times), the annual single basic age pension.

Assisted residents are those who, at the time of entering care:

- received an income support payment from Centrelink or DVA and have not owned a home in the preceding two years, or their home is protected under the assets assessment; and
- had assets of between 2.5 and 4 times the annual single basic age pension amount.

For residents entering care on or after 1 July 2014, a resident will be eligible for an accommodation supplement if their means tested amount (based on their income and assets at entry) is less than the daily maximum accommodation supplement.