



VECH Payment Information

Respite Care

You are required to pay a basic daily fee for respite care. You won't have to pay any accommodation costs or means-tested care fees.

After respite care, if you wish to transit into permanent care, further negotiation of care fees is required and a new agreement needs to be signed.

Permanent Care

If you move into an aged care home for permanent care, you will pay fees under one of 2 arrangements:

- 1 July 2014 fee arrangements
- 1 November 2025 fee arrangements.

1 July 2014 Fee Arrangement

1 July 2014 fee arrangements apply to:

- People who first enter permanent residential care before 1 November 2025 OR
- First enter permanent residential care on or after 1 November 2025 but were approved for or accessing a Home Care Package as of 12 September 2024
- were approved for a Home Care Package as of 12 September 2024 and were waiting for a package to be allocated (on the National Priority System).

Fees & Contribution You May Pay

Before you enter permanent residential care, you should have your means assessed to see if you're eligible for Australian Government assistance with fees and accommodation costs. The fees you pay will depend on the outcome of your means assessment and what you agree on with your aged care provider.

All your fees must be clearly written in your resident or service agreement, your accommodation agreement and the optional higher everyday living agreement.

You may need to pay some or all of these fees:

1) Basic daily fee

Everyone pays a basic daily fee. This fee helps pay for your day-to-day services such as meals, cleaning, facilities maintenance, and laundry.

This fee will be paid directly to the facility, generally on a monthly basis. The fee applies for every day you are a resident, including days when you might be away overnight - for example, on holiday or in hospital.

The basic daily fee is set at 85% of the single person rate of the basic age pension. The government updates it on 20 March and 20 September each year in line with increases to the age pension.

Based on current rates, the maximum basic daily fee is \$66.80 per day, or \$ 24,382.00 per year.

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2) Means tested care fee

The means-tested care fee is an extra contribution that some people pay, as determined through a means assessment. It is an ongoing fee towards the cost of your personal and clinical care.

This means-tested care fee is different for everyone, and not everyone will have to pay it. If you do need to pay it, the exact amount will be determined once you enter care. Services Australia will let you and your provider know what this amount will be for you.

If you do not complete a means assessment, you won't be eligible for government assistance with your accommodation and care costs. You then may be asked to pay the maximum means-tested care fee and an accommodation payment.

3) Accommodation costs

Accommodation payment refers to the price you may be required to pay for the type of the room you choose. Everyone entering an aged care home needs to agree on a room price in writing with their provider before they enter care.

Services Australia will conduct a means assessment to determine whether the resident can be charged for the accommodation payment or not. A resident without low means status, or with means not disclosed status, is not eligible for assistance with their accommodation costs. They will pay the agreed room price as an accommodation payment.

Where a resident enters care before a means assessment has been completed, the agreed accommodation payment price (RAD or DAP) as set out in the resident agreement will be charged. If Services Australia later assigns low means status to the resident, the agreed RAD or DAP will be ceased immediately and any pre-paid amounts will be refunded.

- **There are three options to pay your Accommodation Payment:**

A. **Refundable accommodation deposit (RAD)** - This is a refundable accommodation amount. The current maximum RAD is \$758,627.00.

B. **Daily accommodation payment (DAP)** – DAP is calculated as follows:

a. $DAP = (RAD \times MPIR) / 365$

b. For example, the maximum DAP based on current MPIR 7.96% is $(758,627.00 \times 7.96\%) / 365 = \$165.44 / \text{day}$.

C. **Combination of RAD and DAP** - This is when you combine the two types of payments to meet your costs. You can split the combination any way you choose. For example, for an agreed room price of \$400,000, you could choose to pay \$100,000 as a refundable lump sum, and also pay a reduced non-refundable daily payment.

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- The pricing for different types of rooms is as below:

Room Type	Feature	Price & Payment Options
Superior Single Room Room 1, 2, 3, 4, 5, 6, 17, 18, 19, 20, 21, 22, 31	<ul style="list-style-type: none"> Single room with en-suite bathroom Electric bed (hi-low or low-low depending on needs) Built-in wardrobes Fully furnished Heating and cooling Proximity to gardens, dining room and/or nurse's station 	Payment option 1: RAD \$750,000 Payment option 2: DAP $\$750,000 \times 7.96\% / 365 = \$163.56 / \text{day}$ Payment option 3 (example): 50% RAD of \$375,000 + 50% DAP of \$81.78 / day
Standard Single Room Room 9, 10, 11, 12, 13, 14	<ul style="list-style-type: none"> Single room with en-suite bathroom Electric bed (hi-low or low-low depending on needs) Built-in wardrobes Fully furnished Heating and cooling 	Payment option 1: RAD \$600,000 Payment option 2: DAP $\$600,000 \times 7.96\% / 365 = \$130.85 / \text{day}$ Payment option 3 (example): 50% RAD of \$300,000 + 50% DAP of \$65.42 / day
Standard Adjacent Room Room 7, 8, 15, 16, 23, 24, 25, 26, 27, 28, 29, 30	<ul style="list-style-type: none"> Single room with shared bathroom Electric bed (hi-low or low-low depending on needs) Built-in wardrobes Fully furnished Heating and cooling 	Payment option 1: RAD \$500,000 Payment option 2: DAP $\$500,000 \times 7.96\% / 365 = \$109.04 / \text{day}$ Payment option 3 (example): 50% RAD of \$250,000 + 50% DAP of \$54.52 / day

***Please note, room prices are negotiable based on individual circumstances.**

4) Fees for optional services

These fees pay for services some providers offer that are above what is required by legislation. From 1 November 2025, additional and extra service fees will be replaced with the higher everyday living fee.

You cannot be offered an additional service agreement or extra services agreement after 31 October 2025. Aged care providers have until 31 October 2026 to transition you to a new higher everyday living agreement if you wish to continue receiving higher services. All additional service agreements and extra services agreements will cease to have any effect from 1 November 2026.

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1 November 2025 Fee Arrangement

1 November 2025 Fee Arrangements apply to

- People first enter residential care on or after 1 November 2025 OR
- People who are subject to the 1 July 2014 fee arrangements but have decided to opt in to the new fee arrangements

Fees & Contributions You May Pay

Before you enter permanent residential care, you should have your means assessed to see if you're eligible for Australian Government assistance with fees and accommodation costs. The fees you pay will depend on the outcome of your means assessment and what you agree on with your aged care provider.

All your fees must be clearly written in your service agreement, accommodation agreement and the optional higher everyday living agreement.

You May Need to Pay Some or All of These Fees:

1) Basic daily fee

Everyone pays a basic daily fee. This fee helps pay for your day-to-day services such as meals, cleaning, facilities maintenance, and laundry.

This fee will be paid directly to the facility, generally on a monthly basis. The fee applies for every day you are a resident, including days when you might be away overnight - for example, on holiday or in hospital.

The basic daily fee is set at 85% of the single person rate of the basic age pension. The government updates it on 20 March and 20 September each year in line with increases to the age pension.

Based on current rates, the maximum basic daily fee is \$66.80 per day, or \$ 24,382.00 per year.

2) Hotelling contribution

- The Government pays a hotelling supplement to aged care providers.
- This supplement helps top up the basic daily fee to cover everyday living services.
- The hotelling supplement is:
 - means tested
 - indexed in March and September each year
- A resident's income and assets are assessed to decide whether they need to pay a hotelling contribution.
- The resident contribution can be up to the value of the hotelling supplement.
- Based on current rates, the hotelling contribution is capped at \$22.15 per day. This amount is indexed
- If a resident is required to pay only part of the hotelling supplement, the Government will pay the remaining amount. For example, if a resident is assessed to pay \$2.00 per day, the Government will pay the remaining \$20.15 per day.

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- If a resident's income and assets are below the assessment thresholds, the Government will continue to pay the full hotelling supplement
- Services Australia will advise both the resident and the provider of any required hotelling contribution when the resident enters care.

3) Non-clinical care contribution

If your means assessment resulted in you paying the full hotelling contribution, you may also be asked to make a contribution towards your non-clinical care. Your contribution covers non-clinical care costs such as bathing, mobility assistance, and lifestyle activities. The daily and lifetime caps change with indexation in March and September.

It is capped daily at \$107.32 per day (indexed). A lifetime cap means that residents no longer have to pay the non-clinical care contribution once they reach \$137,917.01 (indexed) in total contributions, or after 4 years of cumulative contributions — whichever comes first. Fees paid under the Support at Home program also count towards this lifetime cap.

If you need to pay the non-clinical care contribution, Services Australia will let you and your provider know the amount once you enter care.

4) Accommodation costs:

- Accommodation payment refers to the price a resident may be required to pay for the type of room they choose.
- Everyone entering an aged care home must agree in writing with the provider on the room price before entering care.
- From 1 November 2025, this is done through an accommodation agreement.
 - The date the accommodation agreement is entered into is called the price agreement day.
- Services Australia will conduct a means assessment to determine whether the resident is required to pay an accommodation payment.
- A resident who:
 - does not have low means status, or
 - has means not disclosed status
 - is not eligible for government assistance with accommodation costs and will be required to pay the agreed room price as an accommodation payment.
- If a resident enters care before a means assessment has been completed:
 - the agreed accommodation payment price stated in the resident agreement will be charged; and
 - this may be in the form of a RAD or DAP.
- If Services Australia later determines that the resident has low means status:
 - the agreed RAD or DAP will cease immediately; and
 - any pre-paid amounts will be refunded.
- Under the new Aged Care Act 2024, providers are required to regularly deduct part of each eligible resident's Refundable Accommodation Deposit (RAD).
 - The deduction is calculated daily at a rate of 2% per annum.
 - This deduction is limited to a maximum of 5 years.

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- Amounts deducted from the RAD under this arrangement are not refundable on exit.
- Under the new Aged Care Act 2024, providers are also required to index Daily Accommodation Payments (DAPs) for residents on the new accommodation arrangements.
 - DAPs will be indexed on 20 March and 20 September each year.
 - Indexation will be in line with changes in the Consumer Price Index (CPI).
 - These are the same dates that the Age Pension increases.
- DAP indexation applies to residents who contribute to their accommodation costs through a DAP, and:
 - entered aged care home on or after 1 November 2025; and
 - are on the 1 November 2025 fee arrangements when they enter, including people who have moved to our aged care home after opting into the 1 November 2025 fee arrangements.
- It also applies to people who enter our aged care home under the 1 July 2014 fee arrangements, if they:
 - entered residential care for the first time after 31 October 2025; or
 - entered following a break in residential care of over 28 days after 31 October 2025.

- **There are three options to pay your Accommodation Payment:**

1. **Refundable Accommodation Deposit (RAD)** - This is a refundable accommodation amount. The current maximum RAD is \$758,627.00. Retention amounts will be calculated daily on the RAD balance at 2% per annum, capped at 5 years. The retention amount is the same for each day until the RAD balance changes at each monthly billing cycle.

Example retention calculation

The daily retention amount for a resident with a balance of \$200,000 is:

$$2\% \times \$200,000 \div 365 = \$10.96$$

If there were 30 days in the period between retention deductions, the amount deducted would be:

$$\$10.96 \times 30 = \$328.80$$

2. **Daily Accommodation Payment (DAP)**

- a. **Initial DAP calculation**

$$\text{DAP} = (\text{RAD} \times \text{MPIR}) / 365$$

For example, with an RAD of \$600,000.00 and an MPIR of 7.96%, the initial DAP is calculated as: $(\$600,000 \times 7.96\%) / 365 = \$130.85 / \text{day}$.

- b. **DAP indexation from 1 November 2025 arrangements**

Where DAP indexation applies, the DAP is not fixed forever. It must be indexed on 20 March and 20 September each year using the published DAP index numbers. The indexed DAP is calculated in 2 steps:

Step 1: Calculate the maximum possible DAP on the price agreement day

$$\text{Maximum possible DAP} = (\text{Agreed accommodation price} \times \text{MPIR}) / 365$$

Step 2: Apply the DAP indexation factor

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DAP indexation factor = DAP index number on the indexation day / DAP index number on the resident's reference indexation day

Step 3: Calculate the new indexed DAP

Indexed DAP = Maximum possible DAP x DAP indexation factor

c. Example using current published DAP index numbers:

Date	DAP Index Number
20 September 2025	1.00
20 March 2026	1.02

Jane enters care on 1 January 2026 and agrees to an accommodation price of \$600,000. The MPIR at that time is 7.96%.

Jane's reference indexation day is 20 September 2025 – DAP index number 1.00.

Jane's DAP needs to be indexed on 20 March 2026 – DAP index number 1.02.

Step 1: Maximum DAP amount = $(\$600,000 \times 7.96\%) / 365 = \$130.85 / \text{day}$.

Step 2: DAP indexation factor = $1.02 / 1.00 = 1.02$

Step 3: Amount of DAP payable from 20 March 2026 = $\$130.85 \times 1.02 = \$133.47 / \text{day}$.

If Jane had never paid any RAD, the DAP she could be asked to pay from 20 March 2026 is \$133.47 / day.

If Jane had paid some of her accommodation costs as a RAD, please refer to option 3 below to calculate her DAP after indexation.

3. Combination of RAD and DAP - This is when you combine the two types of payments to meet your costs. You can split the combination any way you choose.

Example:

Jane originally paid \$400,000 as an RAD and is paying the remainder as a DAP. The RAD balance is currently \$398,707.89 because a retention amount of \$1,292.11 has previously been deducted.

Step 1: Maximum DAP amount = $(\$600,000 \times 7.96\%) / 365 = \$130.85 / \text{day}$.

Step 2: RAD balance including retention deductions = RAD balance for the relevant day + sum of any retention deductions made on or before the relevant day = $\$398,707.89 + \$1,292.11 = \$400,000$

Step 3: RAD balance including retention deductions as a proportion of the agreed accommodation payment amount = RAD balance including retention deductions ÷ agreed accommodation payment amount = $\$400,000 \div \$600,000 = 0.6667$

Step 4: Proportion of the agreed accommodation payment amount paid as a DAP = $1 - \text{RAD balance including retention deductions as a proportion of the agreed accommodation payment amount} = 1 - 0.6667 = 0.3333$

Step 5: Amount of DAP payable = RAD balance including retention deductions x proportion of the agreed accommodation payment amount paid as a DAP = $0.3333 \times \$130.85 = \43.61

The DAP Jane can be asked to pay from 20 March 2026 is \$43.61 per day after being adjusted for the RAD amount.

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***Please note, room prices are negotiable based on individual circumstances.**

5) Higher Everyday Living Fee (HELFF)

From 1 November 2025, a new optional fee, the higher everyday living fee, enables aged care home residents to pay for and receive a higher standard of services. The fee replaces the previous extra service fee and additional service fee arrangements.

A higher everyday living fee must not be agreed or charged before you have entered care, and it cannot be used as a condition of entry or to secure a room.

A higher everyday living fee agreement must be in place and must outline the cost of each higher or additional service to be delivered, the standards and frequency at which they will be delivered, and how they will be charged.

- A 28-day cooling-off period applies, during which you may cancel or change your services without a cancellation fee. Your provider needs to be notified of this, but there is no minimum notice period.

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- After the initial 28-day cooling off period, services can be cancelled or varied with 28 days' notice. Providers may recover unavoidable costs (e.g., subscriptions) for up to 90 days.
- If your provider can no longer deliver the service it must be cancelled or varied immediately.
- Your higher everyday living fee agreement must be reviewed at least annually to ensure you still want the services.

For more information about the aged care home costs and fees, please refer to:

- 1) <https://www.myagedcare.gov.au/aged-care-home-costs-and-fees>
- 2) <https://www.health.gov.au/resources/publications/schedule-of-fees-and-charges-for-residential-and-home-care>