



ApplyWise

Accommodation Costs Explained

A simple Guide

Aged Care Accommodation – What You Need to Know

If you or someone you care for is moving into a residential aged care facility, understanding how much it will cost—and who pays what—can feel overwhelming. This guide breaks it down in simple terms, so you can make informed decisions without the confusion.

1. What Are the Main Costs?

There are four key types of fees you may need to pay in residential aged care:

- **Basic Daily Fee:** Everyone pays this. It covers meals, cleaning, laundry, and basic services. The current rate is \$61.96 per day (as of July 2024).
- **Means-Tested Care Fee:** This depends on your income and assets. It helps pay for your personal care (like help with showering or mobility). Services Australia decides if you need to pay this and how much.
- **Refundable Accommodation Deposit (RAD):** This is a one-time lump sum that you pay to secure a room. It's fully refundable when you leave care, unless you've asked for other costs to be deducted from it.
- **Daily Accommodation Payment (DAP):** If you can't or don't want to pay the full RAD, you can pay this instead. It's a daily fee based on what you haven't paid upfront. The government sets the interest rate (currently 8.36%).

2. Example Scenarios

Here are three common payment options:

Scenario 1: Pay Full RAD

- Room cost: \$500,000 (RAD)
- You pay this upfront
- You only pay the Basic Daily Fee ongoing (\$61.96/day)
- When you leave care, your estate gets the \$500,000 back

Scenario 2: Pay No RAD (Full DAP)

- Room cost: \$500,000
- You pay \$0 upfront, but pay a DAP of about \$114/day (based on 8.36% interest)
- You also pay the Basic Daily Fee
- DAP payments are not refundable

Scenario 3: Combination of RAD and DAP

- You pay \$250,000 as RAD (half the room price)
- You pay a DAP on the remaining \$250,000 (~\$57/day)
- You also pay the Basic Daily Fee
- \$250,000 is refunded to your estate

3. Can the Government Help Pay?

Yes. If your income and assets are low, the government may pay all or part of your accommodation costs through an 'Accommodation Supplement'. You might also be eligible for the Age Pension or other financial help. We can help you check your eligibility and apply.

4. What ApplyWise Helps With

- Organising your ACAS assessment (the first step to accessing funding)

- Explaining exactly what costs you might face in plain English
- Helping you complete the Centrelink income and asset forms
- Estimating your RAD and DAP options
- Connecting you with aged care homes that suit your needs and budget
- Giving you clarity and support so you can move forward with confidence

5. What Should You Do Now?

1. Contact ApplyWise for a free discussion
2. We'll help organise your ACAS assessment
3. Gather your financial details so we can check what you're eligible for
4. Start looking at aged care options with our help