



Australian Government

Aged Care Pricing Commissioner

Application Guide

A guide to applying to the Aged Care Pricing Commissioner for accommodation prices that are higher than the maximum amount determined by the Minister

Contents

1. Introduction	3
2. Submitting your application	3
3. Overview	3
4. Filling in the application form	7
Part 1: Background information	8
Part 2: Quality, condition, size and amenity	9
Part 3: Refundable Accommodation Deposits	9
Part 4: Business considerations	9
Part 5: Cost or value elements	10
5. Application checklist	11
Appendix A – Evidence to support your application	12

Application Guide

1. Introduction

The Aged Care Pricing Commissioner, in approving proposed prices at a level higher than that determined by the Minister (a “price above the threshold”), appreciates that providers in the aged care sector operate in the context of varying business models, with differing drivers of cost and other determinants in accommodation pricing. At the same time, the Commissioner must have a rational and consistent basis on which to consider proposed prices, while minimising the administrative burden on providers.

Accordingly, rather than taking an approach in seeking information that is overly prescriptive and which may not take account of these other factors, the Commissioner seeks a sufficient set of relevant information to allow applicants to substantiate their proposed price with reference to a brief business case or other explanatory narrative. This business case or narrative is not mandatory,

but it does allow applicants the opportunity to present all factors that they regard as relevant to their pricing for accommodation. Information showing the basis on which an applicant has arrived at a proposed price will assist in making an assessment and a decision.

Relevant cost or value information is also sought. In this way, the Aged Care Pricing Commissioner will undertake an assessment that takes account of qualitative information (the quality, condition, amenity and room size of accommodation and of common areas, construction or refurbishment costs, land and building value, and price factors in the context of the applicant’s business operations.

This Application Guide provides an overview of the application process and information that will assist you in completing your application.

2. Submitting your application

Once completed, application forms should be emailed to acpcapplications@acpc.gov.au as a PDF.

Attachments may also be submitted electronically, or mailed in hard copy, to:

Office of the Aged Care Pricing Commissioner
Locked Bag 5
Haymarket NSW 1240

Any attachments should be referred to in your covering email. Page 2 of the Application Form provides a list of documents that are required to be attached to support

your application. The list of required documents can also be found at **Appendix A** of this Application Guide.

Where your application is for more than one accommodation group within a facility, you must, for the second and any subsequent accommodation group, also complete and submit the **Form for Additional Groups**.

All information provided for the purposes of an application will be held confidentially by the Aged Care Pricing Commissioner, and will not be shared with any other person or agency.

3. Overview

3.1 What is the role of the Aged Care Pricing Commissioner?

The Commissioner’s functions include assessing applications from approved providers of residential aged care who wish to charge new residents (from 1 July 2014) lump sum accommodation payments (or equivalent periodic payments) at a level higher than that determined by the Minister (a “price above the threshold”).

The Minister has set this threshold amount at \$550,000 as a Refundable Accommodation Deposit, or its equivalent amount as a Daily Accommodation Payment, or any equivalent combination.

3.2 Do I need to apply? When should I apply?

If you are considering charging a price above the \$550,000 Refundable Accommodation Deposit threshold or its

equivalent, then you will need to make an application to the Aged Care Pricing Commissioner for approval of that price.

It is not necessary to make an application to the Commissioner if you intend to publish a price below or equal to a \$550,000 Refundable Accommodation Deposit, or the equivalent Daily Accommodation Payment (or a combination of both).

You **cannot** enter into an arrangement with any resident which includes charging a price above the threshold unless you have received approval of that price from the Commissioner.

Your application will be assessed and a decision will be made by the Commissioner as to whether the proposed price is approved or refused based on the information provided by you in your application.

Application Guide

3. Overview (continued)

3.3 When can I charge an approved price?

You can enter into a new accommodation payment agreement higher than the threshold amount and up to the approved price from the day on which the Commissioner advises that a price has been approved (the “approval day”).

For **new** or **refurbished facilities** which are subject to verification of costs and/or condition following construction or refurbishment, the “approval day” is the day the Commissioner advises the applicant that the requirements for verification have been met. Information on the verification stage of the assessment process is found at Section 3.6 of this Application Guide.

Rules about charging an approved price

Division 52G of the *Aged Care Act 1997* and Part 4 of the *Fees and Payments Principles 2014* (No. 2) (the Principles) set out rules about charging accommodation payments.

Section 19 of the Principles requires you to make information publicly available in relation to a room, or part of a room, in the service. This includes information describing the key accommodation features, payment options, and the maximum accommodation payment amount. The approved price cannot be charged until it has been published.

Section 19(3) of the Principles provides that information about the maximum accommodation payment must (a) be published on the approved provider’s website (if it has one); and (b) be given to the Secretary for publication by the Secretary; and (c) be included in written material to be given to prospective care recipients by the approved provider.

My Aged Care website

If you have indicated on the My Aged Care website that the proposed price is pending approval by the Aged Care Pricing Commissioner, you must update the accommodation pricing information on the My Aged Care website following this approval.

To update the accommodation pricing information relating to this approval on the My Aged Care website, please visit the Aged Care Provider Portal at <https://ebiz.agedcare.gov.au>. Updates to pricing information using the Portal are processed within 3 business days.

If you have any questions about the information published on My Aged Care, please contact the Department of Social Services at myagedcare@dss.gov.au

Duration of approval

Following the issuing of a decision by the Commissioner in relation to particular rooms or parts of rooms, applicants must wait 4 months before reapplying. This restriction does not prevent an application being made in relation to other rooms.

The approved price will remain valid for a period of four years from the approval day, although it is possible to make fresh applications to the Commissioner after the expiration of 4 months from the approval day.

Before the end of any given four year period, you may make a new application for an approved price, where you believe that there are substantive factors relevant to price that support a different price. If approved, a new four year period will commence.

For applications relating to proposed new facilities, it is possible to obtain approval at the price level sought, and to then make a new application to the Commissioner to refine the prices of rooms within the facility at the time of (or prior to) verification (provided that four months have expired since the Commissioner’s original approval). Information on the verification stage of the assessment process can be found at Section 3.6 of this Application Guide.

Indexation of approved amount

Approved prices are subject to annual indexation based on the consumer price index (national average) for the relevant four year period. You must publish the indexed price before entering into any new accommodation payment agreement during the relevant four year period. Within the four year period, should you seek to charge a price for accommodation higher than the indexed approved price, you must make a new application.

3.4 What are the application timeframes?

The Commissioner makes decisions in accordance with section 52G-4 of the *Aged Care Act 1997* and the *Fees and Payments Principles 2014*.

The Commissioner will advise a decision on your application within 60 days of receiving your application.

Application Guide

3. Overview (continued)

If additional information is formally requested from the Commissioner to assess your application, you must then provide that information within a specified period of up to 28 days. In this circumstance, the 60 day period does not include the period beginning on the day the request was made and ending on the day the information was received. If you have difficulty in submitting information within that timeframe, the Commissioner may grant you an extension of time.

In some cases the Commissioner may request additional information on an informal basis to clarify minor aspects of the application. This is done so that applicants are not disadvantaged by having the 60 day period suspended while that information is provided.

While these statutory timeframes apply in respect of the maximum period, every effort will be made to process applications quickly. In particular, the Commissioner will seek to prioritise applications that have particular urgency.

3.5 What are the stages in the application and assessment process?

A high level description of the key stages in the application and assessment process is provided below:

- **Stages 1 – 3** below apply to **existing facilities**.
- **Stages 1 – 4** apply to **proposed new** or **proposed refurbished facilities**. In respect of a proposed new or proposed refurbished facility, approval is given for a proposed price, but will be subject to verification by the Commission that construction or refurbishment has been completed. This verification also includes that cost estimates in the application reflect actual costs incurred, and that the completed or refurbished room or part of the room is equivalent to or better than the proposal described in the application.
- **Stages 5 – 6** refer to applicants' **rights of review and appeal**.

Application process

Stage 1: Submission

Application submitted. Assessors determine whether an application is a valid application.

Stage 2: Assessment

Assessors will prepare a report for the Commissioner on the basis of information supplied by the applicant. Where additional information is required by the Commissioner, the applicant will be advised at the earliest opportunity and given 28 days to provide this information. The 60 day period does not include the period beginning on the day the request was made and ending on the day the information was received. The Commissioner will then make a decision based on information included in the application and any additional information provided by the applicant.

Stage 3: Decision given

A decision will be made by the Commissioner within 60 days to approve or to refuse an application.

Stage 4: Verification (for new or refurbished facilities)

Where an applicant seeks to have prices approved for a facility that is being constructed or refurbished, the Commissioner will require that the applicant demonstrates that construction or refurbishment costs have been substantially incurred, and that the quality, condition, room size and amenity of rooms and common areas meets the standard described in the application.

Reviews and appeals

Stage 5: Review

Applicants are entitled to seek a review of the Commissioner's decision under Part 6.1 of the *Aged Care Act 1997*.

Stage 6: Appeal

Applicants are entitled to make an application to the Administrative Appeals Tribunal of the reviewed decision referred to in Stage 5 under Part 6.1 of the *Aged Care Act 1997*.

Application Guide

3. Overview (continued)

3.6 What is the verification stage?

The Commissioner's approval of proposed prices above the threshold relating to accommodation in proposed new or proposed refurbished facilities is subject to the condition that the approval does not take effect until construction or refurbishment has been completed, that the quality and condition of the rooms are equivalent to or better than those described in the application, and that the actual cost of the completed construction or refurbishment is not significantly lower than the costs provided in the application.

For the purposes of verification, applicants are required to supply high level information substantiating that costs of supply as contained in the application were incurred, and that the quality and condition of rooms is as was described in the application.

This cost information may be supplied by way of evidence of construction or refurbishment costs such as a statement from the Chief Financial Officer or equivalent of incurred costs, or incurred costs evidenced in a project plan, or relevant documentation that evidences expenditure.

Evidence in respect of quality, condition, room size and amenity must be supplied by way of photographs.

Where actual costs are significantly lower than the costs described in the application, the Commissioner may still decide that the approval will take effect if the Commissioner is satisfied that the lower cost would not, of itself, have resulted in a refusal to approve the proposed price.

3.7 How will the Commissioner consider applications?

In considering applications, the Commissioner will take into account the degree to which the proposed price is reflective of the quality, condition, room size and amenity of the accommodation and of common areas available to the aged care resident, and to contextual factors such as the applicant's business or organisational model, financial considerations, factors reflecting market acceptance such as Refundable Accommodation Deposit history, and cost factors (particularly in respect of new or refurbished accommodation), and/or land and building value.

Regard will be had to reference information held by the Commissioner, including median house price by locality, and accommodation prices, including approved prices by geographic area where relevant in these considerations. These factors provide further context.

In this way, the Commissioner will take into account the degree to which proposed prices are reflective of quality in residential aged care accommodation, while also reflecting the range of other factors informing prices.

To expedite the decision making process, applicants are encouraged to substantiate the price sought with sufficient evidence to support their claim.

To assist the Commissioner, assessors in the Office of the Aged Care Pricing Commissioner will produce an assessor report based on the information provided by applicants. This assessor report will contain an assessment outcome. This assessment outcome is a recommendation only, and does not 'produce' the Commissioner's decision in respect of the application. The Commissioner will consider the application and the assessor report, and then, taking into account the information in the application, and the analysis and recommendation contained in the report, and the individual circumstances of the application, will reach a decision as to whether to approve the application or to refuse to approve the application.

3.8 Terms and Definitions

What is an existing facility? What is a proposed new or proposed refurbished facility?

- An **existing** facility includes all facilities that are not currently undergoing construction or refurbishment. This includes facilities which have been recently constructed or refurbished (up to the date of the application).
- A **proposed new or proposed refurbished** facility is a facility which you are currently, or intending to, construct or refurbish.

Where applicants are seeking to decide whether to make an application for a proposed refurbished facility as opposed to an existing facility, applicants should consider whether the refurbishment will make a significant difference to quality, condition and amenity for residents, and is significant enough in its scope to have relevance in the determination of price.

If applicants are not of the view that the refurbishment will have this effect, they should include any relevant information in respect of their refurbishment, but make an application as an existing facility.

Application Guide

3. Overview (continued)

What is an accommodation group?

For the purposes of this application process, applicants are not required to submit an application for each room. Where applicants are seeking the same proposed maximum price for a group of rooms or parts of rooms in the facility, and where these rooms have equivalent quality, condition and amenity, applicants can identify **accommodation groups**.

If a provider chooses to create any groups of accommodation:

- a description of the accommodation in the group must be generally applicable to each room, or part of a room, in the group; and
- the same maximum amount of accommodation payment must apply for each room in a group of rooms, or part of a room in a group of parts of rooms (although a provider can charge a range of prices up to the maximum amount).

In considering whether to nominate rooms or parts of rooms in particular accommodation groups, a threshold consideration is whether the applicant seeks the same proposed maximum price, and can provide information that supports that the rooms have a reasonable equivalence for the resident in respect of quality, condition, room size and amenity.

Information provided in the application or in attachments should be sufficient for the Commissioner to determine the location of rooms/the accommodation group in the facility.

By way of example:

- in an existing facility, a group of 15 rooms may share similar quality, condition and amenity and other accommodation features, and be similarly located in the facility in terms of access to common areas.

By way of further example:

- 30 rooms in a particular wing of a facility may be undergoing significant refurbishment with the result that all 30 rooms will be upgraded to a particular standard and will share similar standards of quality, condition, size and amenity.

These groups of rooms can, for the purposes of the application, be considered an accommodation group.

In making an application for an accommodation group, applicants should identify the average room size including ensuite. Where there is variance in size across the group, applicants should describe the range of room sizes.

In some cases, rooms may be offered in a range of configurations in different circumstances i.e. where a room (or an interconnected set of rooms), or may be offered as a double room in some circumstances, or a room for a single occupant in others. Some configurations may not require approval because the maximum accommodation payment amount will be below the threshold. However, where different possible configurations mean that an applicant wishes to seek more than one approval for a price above the threshold for the same room depending upon the configuration or the number of occupants, this should be identified in the narrative section of the application.

4. Filling in the application form

The application form includes five sections. You must be able to demonstrate the quality, condition and amenity of rooms and common areas, other relevant factors such as room size (including ensuite) and location, land and building cost or value, a list of Refundable Accommodation Deposits (or their equivalent) received and any business factors that are relevant to the determination of accommodation prices.

- **Part 1** seeks background information identifying the facility and the accommodation group for which you seek approval. This information must be supplied.
- **Part 2** seeks information on the quality, condition, size (including ensuite) and amenity of the rooms and the common areas in the facility. This information must be supplied.
- **Part 3** requires the history of accommodation bonds (or equivalent) actually received (as distinct from accommodation prices that have been published) for

all accommodation groups. These may be provided in the form at Part 3, or as an attachment if more convenient to the applicant. This information must be supplied for rooms in existing facilities.

- **Part 4** invites you to include any business or organisational considerations that are relevant to the proposed price. Where you are also making applications for further accommodation groups at the facility, your narrative should support prices for all groups.
- **Part 5** seeks information on land and building value (for existing facilities) and construction or refurbishment costs (for proposed new and proposed refurbished facilities). This information must be supplied. Applicants may also supply other cost inputs for consideration.

Where your application is for more than one accommodation group, you must, for the second and any subsequent accommodation group, also complete and submit the **Form for Additional Groups**.

Application Guide

4. Filling in the application form (continued)

It is necessary that your claim is supported by evidence that indicates the proposed accommodation payment is justified. Page 2 of the Application Form provides a list of documents that are required to be attached to support your application. The list of required documents can also be found at **Appendix A** of this Application Guide.

While the Commissioner will not be unduly prescriptive about the form in which information is supplied, a consistent approach to the assessment of these applications will be applied.

As provided for under subsection 52G-4(3) of the *Aged Care Act 1997*, the Commissioner will seek further information where, in the Commissioner's view, applicants have not provided sufficient detail or evidence to support their claim. Application timeframes, including formal requests for information, are set out at Section 3.4 of this Application Guide.

You must also declare that the information you have supplied is true and correct, and that you have not withheld any information likely to affect the assessment of the application.

Applicants are reminded that giving false or misleading information is a serious offence.

The information provided below explains how each section of the application form should be completed, the type of information required, and the sources of documentary evidence that should be provided.

If any further guidance is required on completing your application, please contact the Office of the Aged Care Pricing Commissioner on **1300 550 970** or acpcenquiries@acpc.gov.au

Part 1: Background information

1.1 Provider and facility details

This section asks you to provide information regarding:

- The organisation lodging the application, including the Approved Provider name and Approved Provider ID number;
- The facility seeking price approval, including the facility name, Service ID number (NAPS or Residential Aged Care Service ID number, if existing service) and address;
- A contact name and details for the application, for when further information may be required and for the notification of decisions; and
- An additional organisational contact name and details for the notification of decisions, so that the Commissioner's office can ensure that the organisation is notified.

1.2 Application details

In this section you are asked to:

- Indicate whether the application is for rooms in an existing facility, a proposed new facility or a proposed refurbished facility;
- State the anticipated completion date of the construction or refurbishment, if an application is for rooms in a facility which is undergoing construction or refurbishment;
- Indicate whether any critical dates apply and describe what the critical date relates to. A critical date may, for example, be the date on which a construction or refurbishment is completed, or any other important date by which a decision would be desirable. Knowing this date will enable the Commissioner to make a decision by this date whenever possible;
- Provide details of the accommodation group the application relates to, stating:
 - the name of the accommodation group;
 - the proposed price per resident as a Refundable Accommodation Deposit;
 - the number of rooms in the accommodation group;
 - the total number of rooms in the facility;
 - the room numbers/location of the rooms within the facility (eg: Rooms 11-20 in the Acacia Wing);
 - the maximum number of residents per room. Where this is expected to vary between rooms, please indicate this;
 - the size of the rooms (in square metres including ensuite). Where there is a range of room sizes, please provide the range of sizes (including ensuite); and
 - indicate whether the resident will have access to a private ensuite. You may describe the quality, condition, size and amenity of the ensuite or bathroom in Section 2 of the application form, where they are a relevant consideration in the proposed price.
- Indicate whether the rooms are offered on an Extra Service basis. Where the facility has Extra Service status which applies to the rooms in question, please provide your Extra Service benchmark list or the relevant section from an Extra Service resident agreement in an attachment;
- Identify rooms in this accommodation group that have previously received approval from the Aged Care Pricing Commissioner to charge a higher amount than the maximum amount determined by the Minister.

Application Guide

4. Filling in the application form (continued)

Part 2: Quality, condition, size and amenity of rooms and common areas

This section asks you to describe the quality, condition, size (including ensuite) and amenity of the rooms in the accommodation group, and the common areas in the facility. This information should be comprehensive to support your proposed price.

Where you have supplied this information in supporting narrative or attachments, please clearly indicate this in the relevant section of the application form.

2.1 Room description

This section asks you to describe the quality, condition and size (including ensuite) of the rooms, including furniture, fittings, design features and any other factors relevant to resident amenity.

Quality and condition considerations include the building structure, and other factors such as the current condition of inclusions such as furniture and fittings. When describing amenity, you may include such matters as levels of privacy, access to balconies, natural or other lighting, windows and aspect, air conditioning and storage space.

This description must be supplemented by photographs of a representative room in the accommodation group.

2.2 Common areas

This section asks you to describe the quality and condition of the common areas in the facility that would be accessible to these residents. Include where relevant any specific accommodation or design features of the service which are considered relevant to the determination of price. Please also provide an approximate size of common areas.

You may also include any significant factors related to amenity such as location in respect of the rooms and views.

This description must be supplemented by photographs of the relevant common areas.

2.3 Facilities and services

This section asks you to describe any facilities or services to residents that you consider are a factor in the accommodation price. Include where relevant any specific design features of the residential aged care facility.

In some cases, applicants may choose to describe services available to residents as further justification for the proposed price. Please do not include services that are

basic care and services specified in the *Quality of Care Principles 1997* as justification for the accommodation price, or care and services are included in an Extra Service fee, or any other additional care and service arrangement.

Where care and services for residents in the rooms you are applying for are provided through an Extra Services arrangement or another additional care and service arrangement, please indicate this on your application form. You must include a copy of your Extra Service benchmark list or the relevant section from an Extra Service resident agreement with your application, where relevant in support of your pricing application.

Part 3: Refundable Accommodation Deposits

This part of the application form requires you to provide the history of Refundable Accommodation Deposits (or equivalent) actually received (as distinct from accommodation prices that have been published), where the application is for an existing facility.

For existing facilities, please provide the Refundable Accommodation Deposits (or equivalent) received for rooms in the accommodation group(s) over the last 12 months. You will need to specify the accommodation group, the Refundable Accommodation Deposits (or equivalent) amount received and the date it was received. You may provide information on Refundable Accommodation Deposits received over a longer period if this is relevant.

You may provide this information in an attachment to the application if it is more convenient.

Please do not include or attach any resident details.

Part 4. Business considerations

This part of the application form invites you to include, by way of narrative or business case, your considerations supporting the proposed price. **Section 4.1 of the application form asks you to provide supporting narrative in the text box in the application form, or to indicate whether the information has been provided as an attachment.**

While there are no other prescriptive requirements, general guidance on information that may be included is provided below. You should include any information relevant to support your proposed price that is not otherwise provided in this application, including any additional matters that you consider to be factors in setting your proposed price at this level.

Application Guide

4. Filling in the application form (continued)

Proposed price considerations may include, for example:

- Your business or mission imperatives;
- Issues relating to cost or value elements of the proposed price. Details of these elements **must** be provided at Part 5 of the application form. However, supporting narrative can be provided in Part 4 as part of your business case, if relevant. This may include narrative on the cost of construction or fit out for a proposed new facility, refurbishment of an existing facility.
- The extent to which your Refundable Accommodation Deposit history for the accommodation group supports the proposed price. Details of the Refundable Accommodation Deposit history for the accommodation group **must** be provided at Part 3 of the application form. However, supporting narrative can be provided in Part 4 as part of your business case, if relevant. You may, for example, include narrative on the extent to which rooms in the accommodation group have been provided to supported residents at lower prices, if relevant.
- Issues related to current and anticipated occupancy levels, including, for example, anticipated occupancy at the start-up phase of a new development, the mix of bonds and daily payments, and the current and anticipated level of occupancy by supported residents.
- Issues related to your operating costs or risk margins, if relevant;
- An explanation of particular quality, condition, size and amenity features of the accommodation and the value of those features for the resident. Details of these features **must** be provided at Part 2 of the application form. However, supporting narrative can be provided in Part 4 as part of your business case to support your proposed price. For example, you may comment on the level of access to private or shared balconies or gardens which has been factored into the proposed price;
- In relation to local market factors, the Commissioner will also have regard to reference information on median house prices and Refundable Accommodation Deposit levels (including approved prices) by suburb, where relevant, as indicators in the consideration of the proposed price. Applicants do **not** need to provide information on median house prices to support their application. The Commissioner holds this information. However, where applicants are basing their justification in part on the value of their accommodation as compared to competitors, a precis of any competitor analysis undertaken may be useful.

Applicants should note that while median house price rises are a contextual factor, an increase in median house price rises should not be treated as the sole basis for a directly proportionate increase in accommodation prices.

Preparing your narrative or business case

If your application is in respect of more than one accommodation group, please ensure that the narrative at Section 4.1 of the application form supports prices in all groups. Where your application is for more than one accommodation group you must, for the second and any subsequent accommodation group, also complete and submit the **Form for Additional Groups**.

Part 5 Cost or value elements

This section requires you to provide information relating to components of **either** the cost of accommodation supply or land and building value that support the proposed price.

- Applicants for **proposed new** or **proposed refurbished facilities** must complete the “Cost elements” section.
- Applicants for **existing facilities** must complete the “**Value elements**” section. Where applicants for existing facilities also have cost elements that are considered to be relevant, these costs may also be included under “**Cost elements**”.

(a) Cost elements

It is not envisaged that these cost of supply components will comprise **all** elements of the cost of accommodation supply, but are components that are key elements of the cost.

Please note that you are **not** required to address all matters indicated. Where you consider that cost factors are relevant considerations in respect of a proposed price, these should be included.

Section 5.1 of the application form seeks both capital cost components and recurrent cost components on a whole of facility basis.

Capital cost components may include:

- Land costs
- Construction costs
- Fit out costs
- Furnishing costs
- Equipment costs
- Other cost components (where applicable)

Recurrent cost components per annum may include:

- Financing costs
- Leasehold costs (including annual rent and rate of return adopted in the calculation of the capital amount)
- Other cost of supply components (where applicable)

Application Guide

4. Filling in the application form (continued)

Please note that these categories are not exclusive. Where there are other key costs which influence accommodation pricing, you can include under Capital costs or Recurrent costs under “Other cost components”.

Costs should not be included in more than one category.

While the field “Cost of supply on a whole of facility basis” seeks facility wide costs, it is anticipated that costs may be included which are not on a whole of facility basis, but which may be particular to the accommodation group or a section of the facility. Where these costs are not on a whole of facility basis, please indicate the basis on which the cost is provided (such as whether the cost is specific to the accommodation group), in the relevant field.

You may further justify these cost components in your narrative on business considerations under Section 4 of the application form, or as an attachment.

(b) Value elements

Applicants for **existing facilities** must include a **land valuation** and an **insurance replacement value** for the facility. If an insurance valuation is not available, applicants may attach a building valuation conducted within the last 3 years by a qualified valuer who is a member of the Australian Property Institute. Land and insurance replacement or building values are to be supported by documentary evidence.

Please include an insurance replacement value, or a building valuation conducted within the last 3 years by a qualified valuer who is a member of the Australian Property Institute, and a land value. Both values are to be supported by documentary evidence.

Variations in cost components:

There may be markedly different cost considerations for existing facilities, as opposed to proposed new facilities, or proposed refurbished facilities.

In the case of applications for prices in **proposed new** or **proposed refurbished facilities**,

- you may include, for example, information in respect of land value or acquisition costs, construction or refurbishment costs, and such other costs as fit outs, furnishings and equipment. Quotes or estimates are also acceptable evidence. Where a quote or estimate of costs for construction of a new facility or refurbishment of an existing facility is included as a component of costs, the quote or estimate should be evidenced.
- applicants are reminded that costs are subject to verification before proposed prices can be charged. Information on the verification stage of the assessment process can be found at Section 3.6 of this Application Guide.

In the case of existing or proposed new or refurbished facilities,

- other cost components can be included and where applicable such costs may include financing costs, holding costs, start-up costs, fees and charges related to statutory requirements for a development, and attributable corporate overheads and support services.

Examples of acceptable evidence that may be provided with the application is further outlined at **Appendix A** of this Application Guide.

5. Application checklist

When preparing and submitting your application to the Aged Care Pricing Commissioner:

DO:

- ☐ understand the requirements of the *Aged Care Act 1997*.
- ☐ submit your application on the approved form.
- ☐ provide details in the application form and attachments to support your application.
- ☐ refer to page 2 of the Application Form, or **Appendix A** of this Application Guide, for a list of documents that are required to be attached to support your application.
- ☐ complete the Declaration at the end of the application form.
- ☐ complete and submit the **Form for Additional Groups** for the second and any subsequent accommodation group, where your application is for more than one accommodation group
- ☐ make sure the completed application form is emailed to the Aged Care Pricing Commissioner at acpcapplications@acpc.gov.au together with any attachments, and that where hard copy attachments are provided, they are mailed to the Office of the Aged Care Pricing Commissioner, Locked Bag 5, Haymarket NSW 1240.
- ☐ make sure you keep a copy of the application that is submitted to the Aged Care Pricing Commissioner for your records.
- ☐ contact the Office of the Aged Care Pricing Commissioner on **1300 550 970** or acpcenquiries@acpc.gov.au if you need any further guidance on requirements for completing the application form.

Appendix

Appendix A – Evidence to support your application

Component	Section in Application Form	Types of evidence
Location of rooms	Section 1.2 Application details	<ul style="list-style-type: none"> • A floor plan highlighting the location of rooms in the accommodation group and accessible common areas
Extra Service status	Section 1.2 Application details	<ul style="list-style-type: none"> • Extra Service benchmark list, or • Relevant section from an Extra Service resident agreement (where relevant)
Quality, condition, size and amenity of rooms and common areas	Section 2.1 Room description Section 2.2 Common areas	<ul style="list-style-type: none"> • Photographs of representative rooms and common areas
Cost elements	Section 5.1 Capital and recurrent cost components	<p>If your application is for a proposed new or proposed refurbished facilities, you must attach and refer to:</p> <ul style="list-style-type: none"> • a quote or quantity surveyor's estimate of cost for the construction of a new facility or the refurbishment of an existing facility; and • other relevant costs such land acquisition costs and financing costs, together with evidence. This may include: <ul style="list-style-type: none"> – Contract of sale (if purchased within the last 3 years). – Quote or estimate of costs prepared for financing purposes, or for Board approval – Receipts or invoices for costs incurred – Leasehold land – annual rent and evidence of rate of return used in the calculation of the capital amount* – Provision of financial documents that provide evidence of current or past borrowing rates that can be applied to the expected loan requirement – Quoted rates for finance – Other estimates on interest rates for finance – Other quote or estimate
Value elements	Section 5.1 Land and building value	<p>If your application is for an existing facility you <u>must</u> attach and refer to a land valuation and an insurance replacement value for the facility.</p> <ul style="list-style-type: none"> • Evidence of land value may include: <ul style="list-style-type: none"> – A land valuation conducted by a qualified valuer who is a member of the Australian Property Institute in the last 3 years. – Contract of sale (if purchased within the last 3 years) – Other land valuation. • Evidence of value for the facility may include: <ul style="list-style-type: none"> – An insurance valuation. If this is <u>not</u> available, you may attach: – A building valuation conducted within the last 3 years by a qualified valuer who is a member of the Australian Property Institute.

Forms of evidence provided here are for guidance purposes only. Applicants are welcome to include other forms of evidence for other cost components.