

Residential Aged Care

# How Aged Care Fees Work



Version 1 11/2025



The information provided in this brochure is for general informational purposes only and does not constitute professional financial advice. Prospective residents are strongly encouraged to conduct their own due diligence and seek independent financial guidance as needed.

Information may be subject to change.

November 2025

# Quick Start *Checklist*

First Steps to Moving into Residential Care—What to Do.

---

☐

## Step 1: Get assessed by the Aged Care Assessment Team (ACAT)

Call My Aged Care on 1800 200 422 or visit [myagedcare.gov.au](http://myagedcare.gov.au) to arrange an assessment and access government subsidised care services.

☐

## Step 2: Book a Tour

Call us on 03 8720 1333 or complete the form at [ttha.org.au/contact-us](http://ttha.org.au/contact-us) to arrange an on-site meeting to view our facility and learn about the next steps.

☐

## Step 3: Consider a Financial Planner

You may like to seek independent financial advice before entering residential aged care. Talk to us, if you don't have a financial adviser who is specialised in aged care matters.

☐

## Step 4: Complete an Income & Asset Assessment

Contact Services Australia (Centrelink) to find out how much you have to contribute towards your cost of care. You can call on 1800 227 475 or [apply online](#).

☐

## Step 5: Complete Legal Documents

Before moving into residential aged care, it's highly recommended that you have completed the following legal documents: Power of Attorney, Will and Advance Care Plan. You may also choose to appoint an authorised representative as your registered supporter.

# Aged Care Fees and Charges *Made Simple*

---

The Australian Government sets the type of fees for residential aged care and regulates how much each resident will contribute towards their care, depending on their financial circumstances.

The government recognises three types of aged care residents: fully supported (also called concessional), partially supported and non-supported (sometimes referred to as non-concessional):

## **Fully Supported Resident**

If you have low income (i.e. your age pension) and only very few assets, the government helps pay for most of your accommodation costs. There are no large fees or deposits required.

## **Partially Supported Resident**

If you have a modest income and/or some assets, you will share the cost for your care with the government.

## **Non-Supported Resident**

If you have higher income or assets, you will be asked to fully cover your room price and contribute towards your care. You will still receive government subsidies for some of your cost.

Here are some useful links to determine\* what type of resident you might be:



[Aged care home costs & fees](#)

[Government Fees & Charges](#)

[Aged care home fee estimator](#)

\*Note that only an  [Income and Asset Assessment](#) can confirm your cost of care.

## What are the *Types of Fees?*

---

### Out of Pocket Fees for Everyone

Basic Daily Care Fee

### Fees You may be asked to pay

Hotelling Contribution\*

Non-Clinical Care Contribution\*

Accommodation Cost: Payment or Contribution

Depending on your Income and Asset Assessment, you may have to pay:

Nothing

or

Some

or

All

*\*If you are protected by the 'no worse off principle' and will pay fees under the 1 July 2014 arrangements, you may be charged a Means Tested Care Fee instead of the Hotelling and Non-Clinical Care Contribution.*

### Basic Daily Care Fee

Everyone living in an aged care home pays the Basis Daily Care Fee - whether you're staying for a short time (respite) or long time (permanent) and whether you are fully, partially or non-supported.

The government sets the Basic Daily Care Fee at a standard rate of 85% of the full Australian age pension, and it is not based on how much money or savings you have. The Basic Daily Care Fee changes twice a year on the 20th March and 20th September.

The Basic Daily Care Fee helps cover everyday costs like meals, cleaning, laundry, and utilities.

## Hotelling Contribution

Depending on the outcome of your Income & Asset Assessment, you may be asked to pay this fee as a contribution towards the cost of your care.

This fee is a daily fee and helps us to meet the cost for services beyond the Basic Daily Care Fee, like catering, cleaning and gardening. The government will continue to partially or fully subsidise this fee for those who are unable to contribute due to low means.

The maximum amount of this contribution changes with indexation in March and September each year. The contribution has a daily cap, and you cannot be charged beyond that.

## Non-Clinical Care Contribution

Depending on the outcome of your Income & Asset Assessment, you may be asked to pay this fee as a contribution towards the cost of your care.

This daily fee is covering services such as bathing, mobility assistance and lifestyle activities.

The maximum amount of this contribution changes with indexation in March and September each year. The contribution has a daily cap, and you cannot be charged beyond that. Further to this, there is a lifetime cap in place. Fees that you have paid under the Support at Home Program also count towards the lifetime cap.

## Accommodation Cost: Contribution or Payment

The Accommodation Cost can be the largest cost of entering an aged care home. If you have been assessed as a **partially or non-supported resident**, you will be asked to pay a fee for your room.

Partially supported residents will be asked to pay an **Accommodation Contribution**. Non-supported residents will be asked to make an **Accommodation Payment**.

There are flexible payment options in place for the Accommodation Cost that you can find on the next page.

# Accommodation Cost *Explained*

For partially or non-supported residents only

To cover the Accommodation Cost, you will have three payment options:

## Option 1

Pay a lump sum

## Option 2

Make daily payments

## Option 3

Combine  
Option 1 and 2

### Partially Supported

#### Pay a lump sum

#### Refundable Accommodation Contribution (RAC)

The RAC is an optional lump sum, calculated using your Daily Accommodation Contribution (DAC)\* and the government-set Maximum Permissible Interest Rate (MPIR) at the time you enter permanent care. As the DAC varies over time, the RAC is recalculated every time we receive updates from Services Australia. Since 1 November 2025, 2% p.a. of your RAC will be deducted for up to 5 years. The balance will be refunded to you or your estate when you exit our service.

*\*Information about the DAC is provided on the next page.*

#### Refundable Accommodation Deposit (RAD)

As a non-supported resident entering permanent care, you can choose to pay your Accommodation Payment in full Accommodation as a Refundable Deposit (RAD). The RAD is based on your chosen room and location. Since 1 November 2025, 2% p.a. of your RAD will be deducted for up to 5 years. The balance will be refunded to you or your estate when you exit our service.

*Calculation examples can be found on our accompanying fee sheet.*

### Non-Supported

## Partially Supported

### Make Daily Payments

#### Daily Accommodation Contribution (DAC)

Most partially supported residents do not choose to pay a lump sum but a Daily Accommodation Contribution (DAC), a daily fee either shared with the government or paid in full, depending on your income and assets. Services Australia will tell you and us what your DAC is. The amount can change based on your assets and what accommodation supplement the government allows us to charge. As your financial situation changes over time, your DAC may also change, and Services Australia will notify both you and us of any updates. The DAC is not refundable.

#### Daily Accommodation Payment (DAP)

You may choose not to pay a deposit, but interest only. This means that you do not need access to a lump sum of money, but you will pay another daily amount. The interest is called a Daily Accommodation Payment (DAP) and is charged on your room price. The interest rate is called Maximum Permissible Interest Rate (MPIR) and is set and reviewed by the government. The interest rate that you pay will be locked in from the time you enter care and is not variable. The DAP is not refundable.

Non-Supported  
Non-Supported  
Non-Supported

### Combine Option 1 and 2

#### Part RAC, part DAC

You can split your accommodation cost between a lump sum (RAC) and daily payments (DAC). You'll only pay a DAC on the leftover amount that hasn't been covered by the RAC. As Services Australia reviews your financial situation and will make changes to the applicable RAC/DAC, this option is very dynamic.

Partially Supported

#### Part RAD, part DAP

You can combine a lump-sum deposit (RAD) and interest payments (DAP) in any way you like, and you'll only pay interest on the unpaid balance. You can either pay that interest out of pocket, or ask us to deduct it from your deposit. Keep in mind, interest charges aren't refundable and choosing this option will affect how much of your deposit you get refunded.

*Calculation examples can be found on our accompanying fee sheet.*



## Higher Everyday Living Fee (HELF)

The Higher Everyday Living Fee (HELF) is an optional fee for people who choose to receive higher quality services in permanent or residential respite care. You are able to opt in to these services once you have entered care. You can choose between package options where you pay one fee and have many services included or pay per item. You can opt in and out of services as you wish or are able to use them. There is a 28-day cooling off period after signing a HELF agreement. After that you can cancel HELF services with a 28-days' notice period.

*Talk to us about our HELF services.*

## Ad-hoc Services

Even if you don't choose ongoing HELF services, you will have access to ad-hoc services that contribute to your wellbeing and experience at our facility. This can include:

- Medication supply through Gunn and McConville.
- Access to our Changing Seasons Cafe.
- Alcoholic beverages.
- Hair Dressing on site.
- Allied Health Services (i.e. physiotherapy, dental services, audiologist).

## Residential Respite Care

At TTHA we offer a minimum of 14 days respite. We may ask you to pay a refundable booking fee to secure a room. Respite fees include:

- Basic Daily Care Fee
- HELF (only if you choose HELF services)

Respite care is paid in advance. Please note that some items and services are not covered in your respite funding and may incur additional cost (i.e. continence aids, special wound dressing, oxygen equipment, some specialists' reviews etc). Speak to our friendly team about your care needs to discuss if additional cost will apply to you.

*Please advise the team if you have utilised respite at another facility in the same financial year. This will allow us to confirm how many funded respite days you still have available.*

***You have no respite approval in place? Talk to us about emergency respite or private respite options.***

# Our Care Communities



## **Residential Aged Care**

Bayswater

## **Retirement Living**

Bayswater

## **Volunteer Program**

Servicing Metropolitan East and South

## **Respite for Carer Program**

31-41 Elizabeth St Bayswater 3153

03 8720 1333

ttha@ttha.org.au

ttha.org.au

---



## **Support at Home**

Servicing Metropolitan Melbourne

## **Commonwealth Home Support Programme**

Servicing Metropolitan East and North

## **Social Support Group**

Servicing Knox & Yarra Ranges

31-412 Elizabeth Street Bayswater 3153

03 8824 1000

enquiry@accenthomecare.org.au

accenthomecare.org.au

---



## **Changing Seasons Cafe**

31-41 Elizabeth Street Bayswater 3153

03 8720 1382

reception@ttha.org.au

---

The Ranges.  
*Inspired by Nature.*

## **Brand-new over 55s independent living Villas and Apartments at TTHA**

31-41 Elizabeth Street Bayswater 3153

03 8720 1333 ttha@ttha.org.au

---