

# CONSULTATION DRAFT



CONSULTATION DRAFT

## Aged Care Rules 2024

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I, Anika Wells, Minister for Aged Care, make the following rules.

Dated 2024

Anika Wells [**DRAFT ONLY—NOT FOR SIGNATURE**]  
Minister for Aged Care

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## Chapter 1—Introduction

### Part 1—Preliminary

#### 1 Name

This instrument is the *Aged Care Rules 2024*.

#### 2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	At the same time as the <i>Aged Care Act 2024</i> commences.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

#### 3 Authority

This instrument is made under the *Aged Care Act 2024*.

#### 4 Simplified outline of this instrument

[To be drafted.]

# CONSULTATION DRAFT

Chapter 1 Introduction

Part 2 Definitions

Section 5

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## Part 2—Definitions

### 5 Definitions

Note: The following expressions used in this instrument are defined in the Act:

- (a) care and services plan;
- (b) enrolled nurse;
- (c) health service;
- (d) means testing category;
- (e) Multi-Purpose Service Program;
- (f) National Law;
- (g) nursing;
- (h) nursing assistant;
- (i) registered nurse;
- (j) service agreement;
- (k) specialist aged care program;
- (l) subsidy basis;
- (m) Transition Care Program.

In this instrument:

*Act* means the *Aged Care Act 2024*.

***accepted mental health condition*** means a mental health condition for which:

- (a) the Repatriation Commission has accepted liability to pay a pension under the Veterans' Entitlements Act; or
- (b) the Military Rehabilitation and Compensation Commission has accepted liability to pay compensation under the *Military Rehabilitation and Compensation Act 2004* or the *Safety, Rehabilitation and Compensation Act 1988*.

***age pension*** means age pension under Part 2.2 of the Social Security Act.

***AT-HM List*** means the Assistive Technology and Home Modifications List published by the Department, as existing on [date of commencement of this instrument].

***compensation*** has the same meaning as in the *Health and Other Services (Compensation) Act 1995*.

***compensation payer*** has the same meaning as in the *Health and Other Services (Compensation) Act 1995*.

***judgment*** has the same meaning as in the *Health and Other Services (Compensation) Act 1995*.

***means testing class***: each of the following is a ***means testing class***:

- (a) full-pensioner;
- (b) part pensioner;
- (c) seniors health card holder;
- (d) self-funded retiree.



**MM category** means a category for an area provided for by the Modified Monash Model and known as MM 1, MM 2, MM 3, MM 4, MM 5, MM 6 or MM 7.

**Modified Monash Model** means the model known as the Modified Monash Model (MMM) 2019 developed by the Department to categorise areas according to geographical remoteness and population size, as the model existed on 1 October 2022.

**Pension Rate Calculator A** means the Rate Calculator at the end of section 1064 of the Social Security Act.

**principal home** has the meaning given by section 11A of the Social Security Act other than subsections 11A(8) and (9) (which deal with the effect of absences from the principal home).

**reimbursement arrangement** has the same meaning as in the *Health and Other Services (Compensation) Act 1995*.

**seniors health card** has the same meaning as in the Social Security Act.

**settlement** has the same meaning as in the *Health and Other Services (Compensation) Act 1995*.

**Social Security Act** means the *Social Security Act 1991*.

**unrealisable asset** has the meaning given by subsections 11(12) and (13) of the Social Security Act.

**veteran** means a person:

- (a) who is taken to have rendered eligible war service under section 7 of the Veterans' Entitlements Act; or
- (b) in respect of whom a pension is payable under subsection 13(6) of that Act; or
- (c) who is:
  - (i) a member of the Forces within the meaning of subsection 68(1) of that Act; or
  - (ii) a member of a Peacekeeping Force within the meaning of that subsection; or
- (d) who is:
  - (i) a member within the meaning of the *Military Rehabilitation and Compensation Act 2004*; or
  - (ii) a former member within the meaning of that Act; or
- (e) who is an employee within the meaning of the *Safety, Rehabilitation and Compensation Act 1988*.

Note: The Acts mentioned in paragraphs (d) and (e) provide that, in some cases:

- (a) a member of the Forces, or a member of a Peacekeeping Force, includes a person who is no longer serving; and
- (b) an employee includes a person who has ceased to be an employee.

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## Section 11

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*Veterans' Entitlements Act* means the *Veterans' Entitlements Act 1986*.

### 11 Cost

For the purposes of the definition of *cost* in section 7 of the Act, the cost for the delivery by a registered provider of a funded aged care service for which the subsidy basis is cost means the amount charged by the provider for the delivery of the service.

### 17 Entry day

- (1) This section is made for the purposes of the definition of *entry day* in section 7 of the Act.

*Classification type ongoing*

- (2) The first day an individual accesses a funded aged care service for the classification type ongoing through a service group is the entry day for the individual for that classification type for that service group.

*Classification type short-term for the service groups home support, assistive technology and home modifications*

- (3) The first day an individual accesses a funded aged care service for a classification level for the classification type short-term for the service group home support, assistive technology or home modifications is the entry day for the individual for the period of effect for that classification level.

*Classification type short-term for the service group residential care*

- (4) The first day an individual accesses a funded aged care service for the classification type short-term for the service group residential care is the entry day for the individual for that classification type for that service group.

*Classification type hospital transition*

- (5) The first day an individual accesses a funded aged care service for a classification level for the classification type hospital transition for a service group is the entry day for the individual for the period of effect for that classification level.

### 18 Final efficient price

- (1) This section is made for the purposes of the definition of *final efficient price* in section 7 of the Act.

*Services for which subsidy basis is efficient price*

- (2) The final efficient price for the delivery of a funded aged care service for which the subsidy basis is efficient price to an individual on a day is the sum of:
  - (a) the base efficient price for an hour of the service on the day; and

- (b) the loading amount for each loading type that applies to the service on the day.

*Services for which subsidy basis is unit price*

- (3) The final efficient price for the delivery of a funded aged care service for which the subsidy basis is unit price to an individual on a day is the sum of:
  - (a) the base unit price for a unit of the service on the day; and
  - (b) the loading amount for each loading type that applies to the service on the day.

## **20 Lifetime cap**

For the purposes of the definition of *lifetime cap* in section 7 of the Act, the amount is \$130,000.

## **21 Price charged**

For the purposes of the definition of *price charged* in section 7 of the Act, the price charged for the delivery by a registered provider of a funded aged care service for which the subsidy basis is efficient price or unit price means the amount charged by the provider for an hour or unit of the service (whichever is applicable).

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**Chapter 7** Funding of aged care services—Commonwealth contributions

**Part 1** Introduction

Section 190

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## **Chapter 7—Funding of aged care services— Commonwealth contributions**

### **Part 1—Introduction**

**190** Simplified outline of this Chapter

[to be drafted]
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# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home support **Part 2**

Person-centred subsidy **Division 1**

Section 191

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## Part 2—Subsidy for home support

### Division 1—Person-centred subsidy

#### Subdivision A—Eligibility

##### 191 Excluded classification levels

For the purposes of subparagraph 191(2)(d)(ii) of the Act, the following classification levels are prescribed:

- (a) CHSP class 1;
- (b) CHSP class 2;
- (c) CHSP class 3;
- (d) CHSP class 4.

#### Subdivision B—Available ongoing home support account balance

##### 193A Quarterly rollover credit

For the purposes of subsection 193(5) of the Act, the amount for a quarter is the higher of the following amounts:

- (a) \$1,000;
- (b) the amount that is 10% of the sum of the following for the day on which the amount is credited, multiplied by the number of days in the quarter:
  - (i) the base individual amount for the individual for the classification type for the service group;
  - (ii) the sum of any primary person-centred supplements for the classification type for the service group that apply to the individual;
  - (iii) for an individual covered by subsection 203(3) of the Act—the base provider amount for a registered provider in relation to the individual.

##### 193B Order of debits

For the purposes of subsection 193(8) of the Act, the order is the order in which the claims are made.

##### 193C Circumstances for no credits

For the purposes of subsection 193(10) of the Act, each of the following are circumstances in which a credit to an individual's notional ongoing home support account, which would otherwise be required under subsection 193(4) or (5) of the Act, is not to be made:

- (a) more than 393 days have passed since an ongoing funded aged care service was delivered to the individual through the service group home support;
- (b) more than 60 days have passed since the day a registered provider provided a start notification to the System Governor and the Commissioner about starting the delivery of funded aged care services to the individual through the service group residential care.

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 2 Subsidy for home support

Division 1 Person-centred subsidy

Section 193D

## 193D Circumstances for ceasing of account

For the purposes of subsection 193(11) of the Act, the circumstances in which an individual's notional ongoing home support account ceases are that:

- (a) more than 60 days have passed since the individual died; and
- (b) any longer period determined by the System Governor under paragraph 251(3)(c) of the Act for a claim for person-centred subsidy that is payable to a registered provider under section 250 of the Act for the delivery of a funded aged care service to the individual has ended.

## Subdivision C—Base individual amounts

### 194A Classification type ongoing

For the purposes of section 194 of the Act, the following table sets out the base individual amounts for individuals for the classification type ongoing for the service group home support.

[These amounts are approximate and subject to change]

<b>Base individual amounts for the classification type ongoing</b>			
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 if the individual is a full budget individual, the amount is ... (\$)</b>	<b>Column 3 if the individual is an interim budget individual, the amount is... (\$)</b>
1	SAH level 1	27.13	16.24
2	SAH level 2	39.46	23.67
3	SAH level 3	54.24	32.54
4	SAH level 4	73.97	44.38
5	SAH level 5	98.63	59.17
6	SAH level 6	118.36	71.02
7	SAH level 7	143.01	85.81
8	SAH level 8	192.33	115.4

### 194B Classification type short-term

For the purposes of section 194 of the Act, the following table sets out the base individual amounts for individuals for the classification type short-term for the service group home support.

[These amounts are approximate and subject to change]

<b>Base individual amounts for the classification type short-term</b>		
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 the amount is ... (\$)</b>
1	SAH restorative care pathway	71.43
2	SAH end-of-life	297.62

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Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home support **Part 2**

Person-centred subsidy **Division 1**

Section 195A

## Subdivision D—Available short-term home support account balance

### 195A Order of debits

For the purposes of subsection 195(5) of the Act, the order is the order in which the claims are made.

### 195B Circumstances for ceasing of account

For the purposes of subsection 195(7) of the Act, the circumstances in which an individual's notional short-term home support account ceases are that:

- (a) the individual's classification level for the classification type short-term for the service group home support was SAH end-of-life; and
- (b) 60 days have passed since the end of the maximum period of effect for that classification level; and
- (c) any longer period determined by the System Governor under paragraph 251(3)(c) of the Act for a claim for person-centred subsidy that is payable to a registered provider under section 250 of the Act for the delivery of a funded aged care service to the individual has ended.

## Subdivision E—Primary person-centred supplements

### 196A Supplements, circumstances and amounts

For the purposes of section 196 of the Act:

- (a) the following table sets out the primary person-centred supplements for an individual for a day for a classification type for the service group home support, and the amount of the supplements; and
- (b) this Subdivision sets out the circumstances in which the supplements will apply to individuals.

[These amounts are approximate and subject to change]

Supplements and amounts		
Item	Column 1 Supplement	Column 2 Amount
1	Oxygen supplement	\$14.11
2	Enteral feeding supplement	(a) for bolus feeding—\$22.36 (b) for non-bolus feeding—\$25.11
3	Veterans' supplement	the amount that is 11.5% of the base individual amount for the individual's classification level for the classification type for the service group for the day, rounded up to the nearest cent

### 196B Oxygen supplement—applicability

Oxygen supplement applies to an individual for a day if:

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Chapter 7 Funding of aged care services—Commonwealth contributions

Part 2 Subsidy for home support

Division 1 Person-centred subsidy

## Section 196C

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- (a) on the day, the care and services plan for the individual covers the delivery of a funded aged care service in the service type nursing care to the individual; and
- (b) under the plan, the service includes providing oxygen to the individual:
  - (i) other than because of an emergency; and
  - (ii) other than on a short-term or episodic basis; and
  - (iii) using materials and equipment hired, temporarily obtained or owned by the provider; and
- (c) a medical practitioner or a nurse practitioner has certified, in writing, that the individual has a continual need for the provision of oxygen.

### 196C Enteral feeding supplement—applicability

Enteral feeding supplement applies to an individual for a day if:

- (a) on the day, the care and services plan for the individual covers the delivery of the funded aged care service nutrition supports to the individual; and
- (b) under the plan, the service includes supplying enteral supplementary dietary products to the individual, other than for intermittent or supplementary enteral feeding given in addition to oral feeding; and
- (c) a medical practitioner has certified, in writing, that the individual has a medical need for enteral feeding.

### 196D Veterans' supplement—applicability

Veterans' supplement applies to an individual for a day if:

- (a) the individual is a veteran with an accepted mental health condition; and
- (b) the individual has, before, on or after that day, authorised either or both of the following to disclose to a registered provider that the individual is a veteran with an accepted mental health condition:
  - (i) the Secretary of the Department administered by the Minister administering the Veterans' Entitlements Act;
  - (ii) the Secretary of the Department administered by the Minister administering the *Human Services (Centrelink) Act 1997*.



# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home support **Part 2**

Provider-based subsidy **Division 2**

Section 201

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## **Division 2—Provider-based subsidy**

### **Subdivision A—Eligibility**

#### **201 Eligible funded aged care services**

For the purposes of paragraph 201(b) of the Act, the funded aged care service home support care management is prescribed.

### **Subdivision B—Available service delivery branch account balance**

#### **203A Day by which registered provider must give start notification**

For the purposes of paragraph 203(3)(a) of the Act, the day in the previous quarter is the last day in the previous quarter.

#### **203B Amount to be credited**

For the purposes of subsection 203(4) of the Act, the amount to be credited to the account in relation to an individual for a day is the sum of the following for the day, multiplied by the number of days in the quarter:

- (a) the base provider amount for the registered provider in relation to the individual;
- (b) any provider-based supplements that apply to the service delivery branch of the registered provider in relation to the individual.

#### **203C Day for periodic rollover re-set and amount to be credited**

- (1) This section is made for the purposes of subsection 203(6) of the Act.
- (2) The day is 1 July in each year.
- (3) For an account that was established between 1 January and 30 June in a year, the amount is:
  - (a) for 1 July in that year—the amount that was in the account immediately before the account was debited to zero; and
  - (b) for 1 July in a later year—the amount under subsection (4).
- (4) For any other account, the amount is the lesser of the following:
  - (a) the amount that was in the account immediately before the account was debited to zero;
  - (b) the amount most recently credited to the account under subsection 203(5) of the Act.

#### **203D Order of debits**

For the purposes of subsection 203(7) of the Act, the order is the order in which the claims are made.

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 2 Subsidy for home support

Division 2 Provider-based subsidy

Section 203E

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## 203E Circumstances for ceasing of account

For the purposes of subsection 203(9) of the Act, the circumstance in which a notional service delivery account for a registered provider in relation to a service delivery branch of the provider ceases is that the registered provider has reported to the System Governor, under subsection 166(1) of the Act, that the service delivery branch has closed.

## Subdivision C—Base provider amount

### 204 Classification type ongoing

For the purposes of section 204 of the Act, the following table sets out the base provider amount for a registered provider in relation to an individual covered by subsection 203(3) of the Act for individuals for the classification type ongoing for the service group home support.

[These amounts are approximate and subject to change]

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<b>Base provider amounts for the classification type ongoing</b>			
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 if the individual is a full budget individual, the amount is ... (\$)</b>	<b>Column 3 if the individual is an interim budget individual, the amount is... (\$)</b>
1	SAH level 1	3.01	1.81
2	SAH level 2	4.38	2.63
3	SAH level 3	6.03	3.62
4	SAH level 4	8.22	4.93
5	SAH level 5	10.96	6.57
6	SAH level 6	13.15	7.89
7	SAH level 7	15.89	9.53
8	SAH level 8	21.37	12.82

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## Subdivision D—Provider-based supplements

### 205A Care management supplement

For the purposes of subsection 205(1) of the Act, the supplement care management supplement is prescribed.

### 205B Care management supplement—applicability

For the purposes of paragraph 205(2)(a) of the Act, the circumstances in which care management supplement will apply to a service delivery branch of a registered provider in relation to an individual on a day are that:

- (a) the individual is an Aboriginal or Torres Strait Islander person; or
- (b) the individual is homeless or at risk of homelessness; or

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Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home support **Part 2**

Provider-based subsidy **Division 2**

---

## Section 205C

- (c) the individual is a care leaver, that is, an individual who has spent time in institutional care or out of home care (such as orphanages and foster care), and includes an individual who is a Forgotten Australian, a former child migrant or a member of the Stolen Generations; or
- (d) the individual is referred to the provider by the care finder program funded by the Department; or
- (e) veterans' supplement applies to the individual under section 196D of this instrument.

### **205C Care management supplement—amount**

For the purposes of paragraph 205(2)(b) of the Act, the amount of care management supplement in relation to an individual is [to be drafted].

# CONSULTATION DRAFT

**Chapter 7** Funding of aged care services—Commonwealth contributions

**Part 3** Subsidy for assistive technology

**Division 1** Eligibility

Section 209

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## **Part 3—Subsidy for assistive technology**

### **Division 1—Eligibility**

#### **209 Excluded classification levels**

For the purposes of subparagraph 209(2)(d)(ii) of the Act, the classification level AT CHSP is prescribed.

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for assistive technology **Part 3**

Available assistive technology account balance **Division 2**

Section 211A

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## Division 2—Available assistive technology account balance

### 211A Account period for classification type ongoing

For the purposes of subsection 211(1) of the Act, if an individual's notional assistive technology account is established because an entry day for the individual occurs for the classification type ongoing for the service group assistive technology, the account period for the account is the period beginning on the entry day and ending at the earlier of the following:

- (a) the end of the day the individual dies;
- (b) the end of the maximum period of effect for the classification level.

### 211B Account period for classification type short-term

- (1) For the purposes of subsection 211(1) of the Act, if an individual's notional assistive technology account is established because an entry day for the individual occurs for the classification type short-term for the service group assistive technology, the account period for the account is:
  - (a) the period of 12 months beginning on the entry day for the individual; or
  - (b) if subsection (2) applies to the individual:
    - (i) the period of 24 months beginning on the entry day for the individual; or
    - (ii) if the System Governor determines a longer period for the individual under subsection (6)—that longer period.
- (2) This subsection applies to an individual if a medical practitioner has certified, in writing, that the individual has been diagnosed with any of the following conditions:
  - (a) cerebral palsy;
  - (b) epilepsy;
  - (c) Huntington's disease;
  - (d) motor neurone disease;
  - (e) multiple sclerosis;
  - (f) Parkinson's disease;
  - (g) polio;
  - (h) spinal cord injury;
  - (i) spinal muscular atrophy;
  - (j) stroke;
  - (k) other acquired brain injury;
  - (l) muscular dystrophy or muscular atrophy.
- (3) A registered provider may apply to the System Governor for a determination of a longer period for an individual under subsection (6).
- (4) An application under subsection (3) must be made:
  - (a) in an approved form; and
  - (b) before the end of 24 months beginning on the entry day for the individual.

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 3 Subsidy for assistive technology

Division 2 Available assistive technology account balance

## Section 211C

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- (5) The System Governor must consider an application under subsection (3) and decide whether to determine a longer period under subsection (6).
- (6) The System Governor may determine a period of more than 24 months but not more than 48 months beginning on the entry day for the individual if the System Governor is satisfied it is necessary to do so to ensure that the individual's care needs are met.
- (7) The System Governor must give written notice to the registered provider of the System Governor's decision within 28 days after the application was made.
- (8) A notice under subsection (7) must include:
  - (a) the reasons for the decision; and
  - (b) how the registered provider may apply for reconsideration of the decision.

### **211C Day and amount for credit to account for classification type ongoing**

For the purposes of subsection 211(4) of the Act, if an individual's notional assistive technology account is established because an entry day for the individual occurs for the classification type ongoing for the service group assistive technology:

- (a) the day is each anniversary of the day the account is established; and
- (b) the amount is the tier amount for the individual.

### **211D Day and amount for credit to account for classification type short-term for classification level AT High**

- (1) For the purposes of subsection 211(4) of the Act, if an individual's notional assistive technology account is established because an entry day for the individual occurs for the classification type short-term for the service group assistive technology, and the individual has the classification level AT High:
  - (a) the day is the day a determination of an amount under subsection (5) is made for the individual; and
  - (b) the amount is the amount determined for the individual.
- (2) A registered provider may apply to the System Governor for a determination of an amount for an individual under subsection (5).
- (3) An application under subsection (2) must be made:
  - (a) in an approved form; and
  - (b) before the end of 12 months beginning on the entry day for the individual.
- (4) The System Governor must consider an application under subsection (2) and decide whether to determine an amount under subsection (5).
- (5) The System Governor may determine an amount for the individual if:
  - (a) the registered provider has provided written evidence of:
    - (i) the individual's need for an item; and
    - (ii) the cost of the item; and

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for assistive technology **Part 3**

Available assistive technology account balance **Division 2**

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## Section 211E

- (b) the cost of the item exceeds the sum of the amounts credited to the individual's account under subsections 211(3) and (5) of the Act; and
  - (c) the amount is the amount by which the cost of the item exceeds the sum mentioned in paragraph (b).
- (6) The System Governor must give written notice to the registered provider of the System Governor's decision within 28 days after the application was made.
- (7) A notice under subsection (6) must include:
- (a) the reasons for the decision; and
  - (b) how the registered provider may apply for reconsideration of the decision.

### **211E Order of debits**

For the purposes of subsection 211(6) of the Act, the order is the order in which the claims are made.

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 3 Subsidy for assistive technology

Division 3 Tier amounts

Section 212A

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## Division 3—Tier amounts

### 212A Classification type ongoing

For the purposes of section 212 of the Act, the following table sets out the tier amount for an individual for an account period for the classification type ongoing for the service group assistive technology.

[These amounts are approximate and subject to change]

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<b>Tier amounts for the classification type ongoing</b>		
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 the amount is ... (\$)</b>
1	Continence products	1,000
2	Assistance dogs	2,000
3	Continence products and assistance dogs	3,000

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### 212B Classification type short-term

For the purposes of section 212 of the Act, the following table sets out the tier amount for an individual for an account period for the classification type short-term for the service group assistive technology.

[These amounts are approximate and subject to change]

---

<b>Tier amounts for the classification type short-term</b>		
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 the amount is ... (\$)</b>
1	AT Low	500
2	AT Medium	2,000
3	AT High	15,000

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# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for assistive technology **Part 3**

Primary person-centred supplements **Division 4**

Section 213

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## **Division 4—Primary person-centred supplements**

### **213 Rural and remote supplement**

For the purposes of section 213 of the Act, for an individual for a day for a classification type for the service group assistive technology:

- (a) the supplement rural and remote supplement is prescribed; and
- (b) the circumstances in which rural and remote supplement will apply to the individual are that the individual resides at a street address, or in a suburb or locality, that is in the MM category known as MM 6 or 7; and
- (c) the amount of rural and remote supplement is the amount that is 50% of the tier amount for the individual for the account period for the classification type for the service group assistive technology, rounded to the nearest cent [These amounts are approximate and subject to change].

# CONSULTATION DRAFT

**Chapter 7** Funding of aged care services—Commonwealth contributions

**Part 4** Subsidy for home modifications

**Division 1** Eligibility

Section 218

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## **Part 4—Subsidy for home modifications**

### **Division 1—Eligibility**

#### **218 Excluded classification levels**

For the purposes of subparagraph 218(2)(d)(ii) of the Act, the classification level HM CHSP is prescribed.

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home modifications **Part 4**

Available home modifications account balance **Division 2**

Section 220A

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## **Division 2—Available home modifications account balance**

### **220A Account period for classification type short-term**

- (1) For the purposes of subsection 220(1) of the Act, if an individual's notional home modifications account is established because an entry day for the individual occurs for the classification type short-term for the service group home modifications, the account period for the account is:
  - (a) the period of 12 months beginning on the entry day for the individual; or
  - (b) if the individual has the classification level HM High for that service type, and the System Governor determines a longer period for the individual under subsection (5)—that longer period.
- (2) A registered provider may apply to the System Governor for a determination of a longer period for an individual under subsection (5).
- (3) An application under subsection (2) must be made:
  - (a) in an approved form; and
  - (b) at least 60 days before the end of 12 months beginning on the entry day for the individual.
- (4) The System Governor must consider an application under subsection (2) and decide whether to determine a longer period under subsection (5).
- (5) The System Governor may determine a period of more than 12 months but not more than 24 months beginning on the entry day for the individual if the System Governor is satisfied that a service in the service group home modifications to be delivered by the registered provider to the individual has been scheduled for delivery, and is in progress, but will not be delivered before the end of 12 months beginning on the entry day for the individual.
- (6) The System Governor must give written notice to the registered provider of the System Governor's decision within 28 days after the application was made.
- (7) A notice under subsection (6) must include:
  - (a) the reasons for the decision; and
  - (b) how the registered provider may apply for reconsideration of the decision.

### **220B Order of debits**

For the purposes of subsection 220(5) of the Act, the order is the order in which the claims are made.

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 4 Subsidy for home modifications

Division 3 Tier amounts

Section 221

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## Division 3—Tier amounts

### 221 Classification type short-term

- (1) For the purposes of section 221 of the Act, the following table sets out the tier amount for an individual for an account period for the classification type short-term for the service group home modifications.

[These amounts are approximate and subject to change]

---

<b>Tier amounts for the classification type short-term</b>		
<b>Item</b>	<b>Column 1 For an individual that has the classification level ...</b>	<b>Column 2 the amount is ...</b>
1	HM Low	\$1,000
2	HM Medium	\$2,000
3	HM High	the amount under subsection (2)

---

- (2) For the purposes of column 2 of item 3 of the table, the amount for an individual with the classification level HM High is:
- (a) if it is the first occasion that a notional home modifications account is established for the individual with that classification level—\$15,000; and
  - (b) if it is not the first occasion that a notional home modifications account is established for the individual with that classification level—\$15,000 reduced by the total of any amounts debited to the individual’s previous notional home modifications accounts when the individual had that classification level.

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**

Subsidy for home modifications **Part 4**

Primary person-centred supplements **Division 4**

Section 222

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## **Division 4—Primary person-centred supplements**

### **222 Rural and remote supplement**

For the purposes of section 222 of the Act, for an individual for a day for a classification type for the service group home modifications:

- (a) the supplement rural and remote supplement is prescribed; and
- (b) the circumstances in which rural and remote supplement will apply to the individual are that the individual resides at a street address, or in a suburb or locality, that is in the MM category known as MM 6 or 7; and
- (c) the amount of rural and remote supplement is the amount that is 50% of the tier amount for the individual for the account period for the classification type for the service group home modifications, rounded to the nearest cent [These amounts are approximate and subject to change].

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 5 Secondary person-centred supplements for home support, assistive technology and home modifications

Section 197A

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## Part 5—Secondary person-centred supplements for home support, assistive technology and home modifications

### 197A Fee reduction supplement—circumstances (financial hardship) [also 214 and 223]

- (1) For the purposes of paragraphs 197(2)(a), 214(2)(a) and 223(2)(a) of the Act, the circumstances in which fee reduction supplement will apply to an individual are that the System Governor is satisfied that:
  - (a) subsection 314AB(6) of this instrument does not apply to the individual; and
  - (b) the value of the individual’s assets, worked out in accordance with Division 1 of Part 3.12 of the Social Security Act and reduced by the amounts mentioned in subsection (2), is not more than 1.5 times the sum of the annual amount of the following:
    - (i) the maximum basic rate under point 1064-B1 of Module B of Pension Rate Calculator A that applies to a person who is not a member of a couple;
    - (ii) the pension supplement amount under point 1064-BA3 of Module BA of Pension Rate Calculator A that applies to a person who is not a member of a couple;
    - (iii) the energy supplement amount under point 1064-C3 of Module C of Pension Rate Calculator A that applies to a person who is not a member of a couple; and
  - (c) the individual has not gifted more than \$10,000 in the previous 12 months; and
  - (d) the individual has not gifted more than \$30,000 in the previous 5 years.
- (2) For the purposes of paragraph (1)(b), the amounts are the following:
  - (a) the amounts mentioned in section 314CA of this instrument;
  - (b) the value of the individual’s principal home;
  - (c) the value of any unrealisable assets.

### 197B Fee reduction supplement—amount [also 214 and 223]

For the purposes of paragraph 197(2)(b), 214(2)(b) and 223(2)(b) of the Act, the amount of the fee reduction supplement is [calculation to be drafted (to involve matters similar to the matters mentioned in subsection 95(4) of the *Subsidy Principles 2014*)].

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**  
Subsidy for residential care [to be drafted] **Part 6**

Section 197B

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## **Part 6—Subsidy for residential care [to be drafted]**

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions  
Part 7 Reduction amounts—compensation payment reduction

Section 199A

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## Part 7—Reduction amounts—compensation payment reduction

### 199A Circumstances in which compensation information known [also 216, 225 and 233]

- (1) For the purposes of subsections 199(1), 216(1), 225(1) and 233(1) of the Act, circumstances in which a compensation payment reduction for person-centred subsidy applies to an individual for a day are that:
  - (a) the individual is entitled to compensation under a judgment, settlement or reimbursement arrangement; and
  - (b) the compensation takes into account the future costs of delivering funded aged care services to the individual on that day; and
  - (c) the application of compensation payment reductions to the individual for preceding days has not resulted in reductions in subsidy that, in total, exceed or equal the part of the compensation that relates, or is to be treated under subsection (2) or (3) as relating, to future costs of delivering funded aged care services to the individual.

*Determinations relating to future costs of delivering funded aged care services*

- (2) If an individual is entitled to compensation under a judgment or settlement that does not take into account the future costs of delivering funded aged care services to the individual, the System Governor may, in accordance with subsection (4), determine, by notice in writing given to the individual:
  - (a) that, for the purposes of this section, the judgment or settlement is to be treated as having taken into account those future costs; and
  - (b) the part of the compensation that, for the purposes of this section, is to be treated as relating to those future costs.
- (3) If:
  - (a) an individual is entitled to compensation under a settlement; and
  - (b) the settlement takes into account the future costs of delivering funded aged care services to the individual; and
  - (c) the System Governor is satisfied that the settlement does not adequately take into account those future costs;the System Governor may, in accordance with subsection (4), determine, by notice in writing given to the individual, the part of the compensation that, for the purposes of this section, is to be treated as relating to those future costs.
- (4) In making a determination under subsection (2) or (3):
  - (a) the System Governor must take into account the following matters:
    - (i) the amount of the judgment or settlement;
    - (ii) for a judgment—the components stated in the judgment and the amount stated for each component;
    - (iii) the proportion of liability apportioned to the individual;



# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**  
Reduction amounts—compensation payment reduction **Part 7**

## Section 199B

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- (iv) the amounts spent on delivering funded aged care services to the individual at the time of the judgment or settlement; and
- (b) the System Governor may take into account any other matters the System Governor considers relevant, including the following:
  - (i) the amounts that are likely to be paid to, or withheld by, other government agencies because of the judgment or settlement;
  - (ii) the amounts spent on care (other than funded aged care services) at the time of the judgment or settlement;
  - (iii) the likely future costs of delivering funded aged care services to the individual;
  - (iv) other costs of care for which the individual is likely to be liable;
  - (v) other reasonable amounts, not related to care, that the individual has spent at the time of the judgment or settlement, or is likely to be liable for.

Note: For subparagraph (4)(a)(ii), examples of the components of a judgment include the following:

- (a) loss of income;
- (b) costs of future care.

### **199B Amount for circumstances in which compensation information known [also 216, 225 and 233]**

- (1) This section is made for the purposes of subsections 199(2), 216(2), 225(2) and 233(2) of the Act.

*If liability not apportioned between the individual and the compensation payer*

- (2) Unless subsection (3) applies, the amount of the compensation payment reduction for person-centred subsidy for an individual for a day is equal to the sum of:
  - (a) the amount of person-centred subsidy for which a registered provider would be eligible for funded aged care services delivered to the individual on the day, assuming that no fee reduction supplement applies to the individual for the day; and
  - (b) the sum of any primary person-centred supplements for the classification type for the service group that apply to the individual on the day; and
  - (c) the sum of individual contributions that the registered provider would be able to charge the individual for delivering those services on the day.

*If liability apportioned between the individual and the compensation payer*

- (3) If:
  - (a) the compensation payment reduction arises from a judgment or settlement that fixes the amount of compensation on the basis that liability should be apportioned between the individual and the compensation payer; and
  - (b) as a result, the amount of compensation is less than it would have been if liability had not been so apportioned; and
  - (c) the compensation is not paid in a lump sum;

# CONSULTATION DRAFT

Chapter 7 Funding of aged care services—Commonwealth contributions

Part 7 Reduction amounts—compensation payment reduction

## Section 199C

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the amount of the compensation payment reduction for person-centred subsidy for the individual for a day is equal to the sum of the following, reduced by the proportion corresponding to the proportion of liability that is apportioned to the individual by the judgment or settlement:

- (d) the amount of person-centred subsidy for which a registered provider would be eligible for funded aged care services delivered to the individual on the day, assuming that no fee reduction supplement applies to the individual for the day;
- (e) the sum of any primary person-centred supplements for the classification type for the service group that apply to the individual on the day.

### **199C Circumstances in which compensation information not known [also 216, 225 and 233]**

For the purposes of subsections 199(1), 216(1), 225(1) and 233(1) of the Act, circumstances in which a compensation payment reduction for person-centred subsidy applies to an individual for a day are that section 234 of the Act applies in relation to section 199, 216, 225 or 233 of the Act (as applicable).

### **234 Requirements for determining compensation payment reductions for circumstances in which compensation information not known**

For the purposes of subsection 234(5) of the Act, in making a determination under subsection 234(4) of the Act in relation to section 199, 216, 225 or 233 of the Act:

- (a) the System Governor must take into account the matter mentioned in subparagraph 199A(4)(a)(iv) of this instrument; and
- (b) the System Governor may take into account any other matters the System Governor considers relevant, including the following (to the extent that the matters are known to the System Governor):
  - (i) the matters mentioned in subparagraphs 199A(4)(a)(i) to (iii) of this instrument;
  - (ii) the matters mentioned in paragraph 199A(4)(b) of this instrument.

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**  
Subsidy for certain specialist aged care programs [to be drafted] **Part 8**

Section 234

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## **Part 8—Subsidy for certain specialist aged care programs [to be drafted]**

# CONSULTATION DRAFT

**Chapter 7** Funding of aged care services—Commonwealth contributions

**Part 9** Subsidy claims and payment [to be drafted]

Section 234

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**Part 9—Subsidy claims and payment [to be drafted]**

# CONSULTATION DRAFT

Funding of aged care services—Commonwealth contributions **Chapter 7**  
Grants [to be drafted] **Part 10**

Section 234

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## **Part 10—Grants [to be drafted]**

# CONSULTATION DRAFT

**Chapter 8** Funding of aged care services—individual fees and contributions

**Part 1** Introduction

Section 272AA

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## **Chapter 8—Funding of aged care services— individual fees and contributions**

### **Part 1—Introduction**

**272AA** Simplified outline of this Chapter

[to be drafted]
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# CONSULTATION DRAFT

Funding of aged care services—individual fees and contributions **Chapter 8**

Individual fees and contributions **Part 2**

Fees and contributions payable in a home or community setting **Division 1**

Section 273A

## Part 2—Individual fees and contributions

### Division 1—Fees and contributions payable in a home or community setting

#### 273A Working out individual contributions—circumstances and amounts

For the purposes of paragraph (b) of Step 3 of the method statement in subsection 273(2) of the Act (for working out the individual contribution for the delivery of a funded aged care service to an individual on a day), the following table sets out circumstances and amounts for those circumstances.

<b>Amounts used to work out individual contributions in certain circumstances</b>		
<b>Item</b>	<b>Column 1 For the following circumstances ...</b>	<b>Column 2 the amount is ...</b>
1	(a) the funded aged care service is any of the following (which involve the sourcing and supply to the individual of products listed in the AT-HM List): <ul style="list-style-type: none"><li>(i) managing body functions;</li><li>(ii) self-care products;</li><li>(iii) mobility products;</li><li>(iv) domestic life products;</li><li>(v) communication and information management products;</li><li>(vi) home modification products; and</li></ul> (b) the individual has an access approval in effect for, and the service is delivered to the individual through, the classification type ongoing or short-term for the service group assistive technology or home modifications	the amount of the cost of the products listed in the AT-HM List that are supplied to the individual
2	(a) a classification decision establishing the classification level HM High in a classification type for the service group home modifications is in effect for the individual; and (b) the service is delivered to the individual through that classification type for the service group; and (c) the individual resides at a street address, or in a suburb or locality, that is in the MM category known as MM 6 or 7	the amount that is 66.6% of the cost of the service [This amount is approximate and subject to change]

#### 273B Requirements for prices charged

For the purposes of subsection 273(4) of the Act, the requirements for the price charged by a registered provider to an individual for the delivery of a funded aged care service are that:

- (a) if the subsidy basis for the service is efficient price or unit price—the price charged by the registered provider must not exceed the final efficient price for the service; and
- (b) if the individual directly sourced the delivery of the service at a particular price from an associated provider of the registered provider—the price

# CONSULTATION DRAFT

**Chapter 8** Funding of aged care services—individual fees and contributions

**Part 2** Individual fees and contributions

**Division 1** Fees and contributions payable in a home or community setting

Section 273B

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charged by the registered provider must not exceed 110% of that particular price.



# CONSULTATION DRAFT

Funding of aged care services—individual fees and contributions **Chapter 8**

Individual fees and contributions **Part 2**

Fees and contributions payable in an approved residential care home [to be drafted] **Division 2**

Section 273B

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## **Division 2—Fees and contributions payable in an approved residential care home [to be drafted]**

# CONSULTATION DRAFT

**Chapter 8** Funding of aged care services—individual fees and contributions

**Part 2** Individual fees and contributions

**Division 3** Fees and contributions for specialist aged care programs [to be drafted]

Section 273B

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**Division 3—Fees and contributions for specialist aged care programs  
[to be drafted]**

# CONSULTATION DRAFT

Funding of aged care services—accommodation payments and accommodation contributions [to be drafted] **Chapter 9**

Individual fees and contributions **Part 2**

Fees and contributions for specialist aged care programs [to be drafted] **Division 3**

Section 273B

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## **Chapter 9—Funding of aged care services— accommodation payments and accommodation contributions [to be drafted]**

# CONSULTATION DRAFT

**Chapter 10** Funding of aged care services—means testing

**Part 1** Introduction

Section 314A

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## **Chapter 10—Funding of aged care services—means testing**

### **Part 1—Introduction**

**314A** Simplified outline of this Chapter

[to be drafted]
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# CONSULTATION DRAFT

Funding of aged care services—means testing **Chapter 10**

Means testing **Part 2**

Means testing in a home or community setting **Division 1**

Section 314AA

## Part 2—Means testing

### Division 1—Means testing in a home or community setting

#### Subdivision A—Determination of individual contribution rate

##### 314AA Method for determining individual contribution rate

- (1) For the purposes of paragraph 314(1)(a) of the Act, the method for determining the individual contribution rate for an individual for a means testing category is as follows:

*Method statement*

- Step 1. Work out the individual's means testing class in accordance with Subdivision B.
- Step 2. Work out the percentage for the category and the class using the table in subsection (2).

- (2) The following table sets out percentages for individual contribution rates for individuals for means testing classes and categories.

Percentages				
Item	Column 1 For an individual in the following means testing class ...	Column 2 the percentage for the means testing category clinical supports is ...	Column 3 and the percentage for the means testing category independence is ...	Column 4 and the percentage for the means testing category everyday living is ...
1	Full-pensioner	0%	5%	17.5%
2	Part-pensioner	0%	the amount of the percentage calculated in accordance with section 314DA	the amount of the percentage calculated in accordance with section 314DA
3	Seniors health card holder	0%	the amount of the percentage calculated in accordance with section 314DA	the amount of the percentage calculated in accordance with section 314DA
4	Self-funded retiree	0%	50%	80%

# CONSULTATION DRAFT

Chapter 10 Funding of aged care services—means testing

Part 2 Means testing

Division 1 Means testing in a home or community setting

## Section 314AB

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### 314AB Period for determining individual contribution rate

#### *Purpose*

- (1) For the purposes of paragraph 314(1)(b) of the Act, this section sets out the period for determining the individual contribution rate for an individual for each means testing category.

#### *Application*

- (2) This section applies to an individual if a registered provider provides a start notification on a day (the **start notification day**) to the System Governor and the Commissioner about the delivery of funded aged care services to the individual.

#### *If System Governor has sufficient information*

- (3) If, on the start notification day, the System Governor has sufficient information to work out the individual's means testing class in accordance with Subdivision B, the period is 28 days from the start notification day.

#### *If individual provides sufficient information without request from System Governor*

- (4) If:
  - (a) on the start notification day, the System Governor does not have sufficient information to work out the individual's means testing class in accordance with Subdivision B; and
  - (b) within 3 days from the start notification day, the individual provides information to the System Governor that is sufficient to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B;the period is 28 days from the day the individual provided the information.

#### *If individual provides sufficient information on request from System Governor*

- (5) If:
  - (a) on the start notification day, the System Governor does not have sufficient information to work out the individual's means testing class in accordance with Subdivision B; and
  - (b) within 3 days from the start notification day, either:
    - (i) the individual does not provide information to the System Governor that is sufficient to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B; or
    - (ii) the individual provides information to the System Governor, but that information is not sufficient to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B; and
  - (c) the System Governor requests information or documents from the individual under subsection 343(1) of the Act to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B; and

# CONSULTATION DRAFT

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(d) within 28 days from the day the System Governor requested information or documents, the individual provides information or documents that are sufficient to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B;

the period is 28 days from the day the individual provided the information or documents as mentioned in paragraph (d).

*If individual does not provide sufficient information or elects not to give information*

(6) If:

(a) paragraphs (5)(a) to (c) apply to the individual; and

(b) either:

(i) the individual does not, within the period mentioned in paragraph (5)(d), provide information or documents that are sufficient to enable the System Governor to work out the individual's means testing class in accordance with Subdivision B; or

(ii) the individual gives the System Governor a written notice electing not to give the information or documents to the System Governor;

the period is 3 days from the end of the period mentioned in paragraph (5)(d).

### **314AC Other matters to be included in notice of determination**

For the purposes of paragraph 314(3)(e) of the Act, the other matters that must be included in a notice under subsection 314(2) of the Act in relation to an individual contribution rate determination for an individual are as follows:

(a) the previous individual contribution rate (if any) for the individual for each means testing category;

(b) the date of effect of the determination as worked out in accordance with section 314AD of this instrument.

### **314AD Method for working out date of effect of determination**

For the purposes of subsection 314(4) of the Act, the method for working out the day at the start of which an individual contribution rate determination for an individual takes effect is that the day is:

(a) if, on the day the determination was made, an individual contribution rate determination was not in force for the individual—the day the start notification mentioned in subsection 314AB(2) of this instrument relating to the individual was provided to the System Governor and the Commissioner; or

(b) if the determination is a new determination made in accordance with paragraph 316(2)(c) of the Act, and the new determination results in an increase to the individual contribution rate—the day after the end of the quarter in which the determination was made; or

(c) if the determination is a new determination made in accordance with paragraph 316(2)(c) of the Act, and the new determination results in a decrease to the individual contribution rate—the day the determination was made; or

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(d) in any other case—the day the determination was made.

### Subdivision B—Means testing classes

#### 314BA Full-pensioner

*Individuals not permanently blind and receiving maximum income support payments*

- (1) An individual is in the means testing class full-pensioner on a day if:
  - (a) the individual is not permanently blind; and
  - (b) the individual is receiving an income support payment; and
  - (c) the individual's payment rate for the income support payment is the maximum payment rate for that payment for that individual.

Note: For example, the maximum payment rate for age and disability support pensions and carer payment for people who are not blind is the rate worked out at Step 4 of the method statement in Module A of Pension Rate Calculator A.

*Individuals permanently blind or not receiving income support payments*

- (2) An individual is in the means testing class full-pensioner on a day if:
  - (a) either:
    - (i) the individual is permanently blind; or
    - (ii) the individual is not receiving an income support payment; and
  - (b) if the individual were receiving age pension calculated in accordance with Pension Rate Calculator A, the individual's payment rate would be the maximum payment rate for age pension under that calculator for that individual if the value of the individual's assets were worked out in accordance with Division 1 of Part 3.12 of the Social Security Act, reduced by the amounts mentioned in section 314CA of this instrument.

#### 314BB Part-pensioner

*Individuals not permanently blind and receiving income support payments at less than maximum payment rates*

- (1) An individual is in the means testing class part-pensioner on a day if:
  - (a) the individual is not permanently blind; and
  - (b) the individual is receiving an income support payment; and
  - (c) the individual's payment rate for the income support payment is less than the maximum payment rate for that payment for that individual.

Note: For example, the maximum payment rate for age and disability support pensions and carer payment for people who are not blind is the rate worked out at Step 4 of the method statement in Module A of Pension Rate Calculator A.

*Individuals permanently blind or not receiving income support payments*

- (2) An individual is in the means testing class part-pensioner on a day if:
  - (a) either:



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- (i) the individual is permanently blind; or
- (ii) the individual is not receiving an income support payment; and
- (b) if the individual were receiving age pension calculated in accordance with Pension Rate Calculator A, the individual's payment rate would be less than the maximum payment rate for age pension under that calculator for that individual, but not nil, if the value of the individual's assets were worked out in accordance with Division 1 of Part 3.12 of the Social Security Act, reduced by the amounts mentioned in section 314CA of this instrument.

## **314BC Seniors health card holder**

### *Holders of seniors health cards*

- (1) An individual is in the means testing class seniors health card holder on a day if:
  - (a) the individual is not receiving age pension; and
  - (b) the individual holds a seniors health card.

### *Individuals who are not holders of seniors health cards*

- (2) An individual is in the means testing class seniors health card holder on a day if:
  - (a) the individual is not receiving age pension; and
  - (b) the individual does not hold a seniors health card; and
  - (c) the individual would satisfy the seniors health card income test in section 1071 of the Social Security Act if the value of the individual's assets were worked out in accordance with Division 1 of Part 3.12 of that Act, reduced by the amounts mentioned in section 314CA of this instrument.

## **314BD Self-funded retiree**

An individual is in the means testing class self-funded retiree on a day if:

- (a) the individual is not in the means testing class full-pensioner, part-pensioner or seniors card holder; or
- (b) subsection 314AB(6) of this instrument applies to the individual.

## **Subdivision C—Valuing an individual's assets**

### **314CA Amounts to be disregarded**

For the purposes of paragraph 314BA(2)(b), 314BB(2)(b) and 314BC(2)(c), and Step 1 of the method statement in section 314DC, the amounts are the following:

- (a) any compensation payments received by the individual under the following:
  - (i) the *Compensation (Japanese Internment) Act 2001*;
  - (ii) the *Veterans' Entitlements (Compensation—Japanese Internment) Regulations 2001*;
  - (iii) Part 2 of the *Veterans' Entitlements (Clarke Review) Act 2004*;

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- (iv) Schedule 5 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Act 2007*;
- (b) any redress payment paid to the individual, or to an administrator for the individual, under section 48 of the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*.

### **Subdivision D—Calculating amounts of percentages for the means testing categories independence and everyday living**

#### **314DA Calculation method**

For the purposes of columns 3 and 4 of items 2 and 3 in the table in subsection 314AA(2), the method for calculating the amounts of the percentages is as follows:

- Step 1. Work out the income reduction amount under section 314DB.
- Step 2. Work out the assets reduction amount under section 314DC.
- Step 3. Work out the maximum reduction amount under section 314DD.
- Step 4. Work out the input contribution rate under section 314DE.
- Step 5. Work out the amount of the percentage:
  - (a) for the means testing category independence—under section 314DF; and
  - (b) for the means testing category everyday living—under section 314DG.

#### **314DB Working out the income reduction amount**

The method for working out the income reduction amount is as follows:

- Step 1. Work out the amount that would be worked out as the individual's ordinary income for the purpose of applying Module E of Pension Rate Calculator A.
- Step 2. Work out the amount that would be worked out as the individual's ordinary income free area under point 1064-E4 of that Module.
- Step 3. Subtract the amount under Step 2 from the amount under Step 1.
- Step 4. Multiply the amount under Step 3 by 0.5 and round to the nearest dollar.

The result is the income reduction amount.

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## 314DC Working out the assets reduction amount

The method for working out the assets reduction amount is as follows:

- Step 1. Work out the value of the individual's assets in accordance with Division 1 of Part 3.12 of the Social Security Act, reduced by any amounts mentioned in section 314CA of this instrument.
- Step 2. Work out the amount that would be worked out as the individual's assets value limit under point 1064-G3 of Module G of Pension Rate Calculator A.
- Step 3. Subtract the amount under Step 2 from the amount under Step 1.
- Step 4. Multiply the amount under Step 3 by 0.078 and round to the nearest dollar.

The result is the assets reduction amount.

## 314DD Working out the maximum reduction amount

The method for working out the maximum reduction amount is as follows:

- Step 1. Work out the individual's senior's health card income limit under point 1071-12 of the Seniors Health Card Income Test Calculator at the end of section 1071 of the Social Security Act.
- Step 2. Subtract the individual's ordinary income free area (worked out under Step 2 of the method statement in section 314DB of this instrument) from the individual's senior's health card income limit.
- Step 3. Multiply the amount under Step 2 by 0.5 and round to the nearest dollar.

The result is the maximum reduction amount.

## 314DE Working out the input contribution rate

The method for working out the input contribution rate is as follows:

- Step 1. Divide the greater of the income reduction amount and the assets reduction amount by the maximum reduction amount.
- Step 2. Multiply the Step 1 amount by 100.

The result is the input contribution rate.

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## **314DF Working out the amount of the percentage for the means testing category independence**

The method for working out the percentage for the means testing category independence is as follows:

Step 1. Multiply the input contribution rate by 0.45.

Step 2. Add 5 to the Step 1 amount and round to 2 decimal places.

The result is the amount of the percentage for the means testing category independence.

## **314DG Working out the amount of the percentage for the means testing category everyday living**

The method for working out the percentage for the means testing category everyday living is as follows:

Step 1. Multiply the input contribution rate by 0.625.

Step 2. Add 17.5 to the Step 1 amount and round to 2 decimal places.

The result is the amount of the percentage for the means testing category everyday living.

## **Subdivision E—Requirement to notify event or change in circumstances**

### **315A Circumstances in which notification of event or change in circumstances is required**

For the purposes of subsection 315(1) of the Act, the circumstances in which an individual for whom an individual contribution rate determination is in force must notify the System Governor of the occurrence of an event or a change in the individual's circumstances are as follows:

- (a) a decision under the social security law (within the meaning of the Social Security Act) relating to the individual has been made;
- (b) the individual's income changes;
- (c) the individual's partner's income changes;
- (d) the value of the individual's assets changes;
- (e) the value of the individual's partner's assets changes;
- (f) the individual starts or stops being a member of a couple;
- (g) the individual is a member of a couple that stops or starts being an illness separated couple (within the meaning of the Social Security Act);
- (h) the individual is a member of a couple that stops or starts being a respite care couple (within the meaning of the Social Security Act);
- (i) the individual leaves Australia permanently.

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## **315B Period for notification of event or change in circumstances**

For the purposes of paragraph 315(2)(a) of the Act, the period within which an individual must notify the System Governor of the occurrence of an event or a change in the individual's circumstances is 14 days from the day the event or change of circumstances occurs.

## **315C Manner for notification of event or change in circumstances**

For the purposes of paragraph 315(2)(b) of the Act, the manner in which an individual must notify the System Governor of the occurrence of an event or a change in the individual's circumstances is the approved form.

## **Subdivision F—Varying or revoking individual contribution rate determination**

### **316 Other matters to be included in notice of determination**

For the purposes of paragraph 316(4)(f) of the Act, the other matter that must be included in a notice under subsection 316(3) of the Act in relation to a varied individual contribution rate determination for an individual is the individual contribution rate for the individual for each means testing category specified in the notice given under subsection 314(2) of the Act in relation to the old determination for the individual.

### **317 Period for deciding if individual contribution rate determination is no longer correct following certain social security decisions**

For the purposes of subsection 317(2) of the Act, the period is 28 days from the day the System Governor is satisfied as mentioned in paragraph 317(1)(b) of the Act.

### **318A Period for deciding whether to vary or revoke individual contribution rate determination following event or change in circumstances**

For the purposes of subsection 318(2) of the Act, the period is 28 days from the day the System Governor is:

- (a) notified as mentioned in subparagraph 318(1)(b)(i) of the Act; or
  - (b) satisfied as mentioned in subparagraph 318(1)(b)(ii) of the Act;
- (as applicable).

### **318B Variation or new determination following event or change in circumstances to take effect on specified day in specified circumstances**

For the purposes of subsection 318(6) of the Act, in the circumstances that:

- (a) a variation or new determination for an individual is made following the System Governor being notified, as mentioned in subparagraph 318(1)(b)(i) of the Act, of the occurrence of an event or

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change after the end of the period prescribed by section 315B of this instrument; and

- (b) the variation or new determination results in an increase to the individual contribution rate for the individual for a means testing category;

the variation or new determination takes effect on the day the System Governor was notified as mentioned in subparagraph 318(1)(b)(i) of the Act of the event or change.

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