



Initial response to the Accommodation Pricing Review- frequently asked questions

The final report of the Residential Aged Care Accommodation Pricing Review (the Review) was tabled in Parliament on 22 April 2026. The Review focused on how to achieve equitable outcomes for supported residents and foster a sustainable sector that can build, upgrade, and maintain high quality accommodation. The Review provided 18 recommendations to the government.

Details of the government's initial \$1.7 billion response to the Review were released in the 2026-27 Budget:

- \$1.1 billion over four years provisioned for changes to the accommodation supplement:
 - from 20 March 2027, the maximum accommodation supplement payment rates will increase by up to \$5 per resident per day, and new tiering will be introduced, with a single base accommodation supplement rate and three tiers for the higher accommodation supplement (HAS), payable to homes with 0-29%, 30-39%, and 40+% supported resident ratios.
 - from 20 March 2028, a new separate top up payment supplement of \$20 per supported resident per day will be payable for homes that have a supported resident ratio of 60% or higher, to assist with maintenance and upkeep of these homes. These payments will be available until 30 June 2036.
- \$348.4 million over four years for new targeted capital subsidies payable to residential care providers (not already receiving Aged Care Capital Assistance Program (ACCAP) funding for the relevant project) to fund:
 - new homes with an additional \$30 per supported resident per day (for up to 25 years from 1 January 2027)
 - expanding existing homes with an additional \$15 per supported resident per day for homes that increase their bed numbers by at least 40% (for up to 15 years from 1 January 2027)
 - the payments will be available from 1 January 2027 until 31 December 2051.
- \$224.3 million over four years to expand the Hospital to Aged Care Dementia Support Program from 11 locations to 20 locations and for 20 additional Specialist Dementia Care

Program units. This funding will allow for older people living with dementia, particularly those with more complex care needs, to have greater access to suitable care, reducing delays in discharge from hospital.

- \$33.8 million over four years to fund changes that will allow greater flexibility in setting residential aged care room prices. These changes aim to reduce uncertainty and increase confidence for investment. Consultation on the design of these changes will commence in mid-2026.

Frequently asked questions about the Australian Government’s initial response to the Accommodation Pricing Review

Accommodation supplement payments

What is the new structure for the accommodation supplement?

From 20 March 2027, the new structure will be as follows, noting that the value of the maximum supplement may change due to indexing on both 20 September 2026, and 20 March 2027.

Higher accommodation supplement (HAS)

Eligibility - *where permanent residents for that payment period qualify as low means, supported, or concessional residents	Daily maximum supplement rates (applicable from 20 March 2026)	Daily maximum supplement rates from 20 March 2027 (subject to indexation)
If the service is significantly refurbished or newly built on or after 20 April 2012		
*40% or more	\$72.30	\$77.30
*30–39%	\$54.23	\$66.00
*below 30%	\$54.23	\$59.23

Base accommodation supplement

Eligibility - *where permanent residents for that payment period qualify as low means, supported, or concessional residents	Daily maximum supplement rates (applicable from 20 March 2026)	Daily maximum supplement rates from 20 March 2027 (subject to indexation)
If the service is not significantly refurbished or newly built on or after 20 April 2012		
None	\$47.15 (or below)	\$52.15

Why have the three lowest tiers of the accommodation supplement been removed?

The Review determined that three lowest accommodation supplement rates were insufficient to cover the cost of accommodation, and recommended the three lowest tiers be removed, with the base accommodation supplement set to \$52.15.

Why has a new tier of the higher accommodation supplement been introduced?

The new tier makes the HAS fairer and more predictable for registered providers. It reduces the decline in funding for services falling just short of the 40% supported resident ratio currently in place.

Why aren't the changes to the accommodation supplement being made from 1 July 2026 as recommended by the Review?

The new tiering for the accommodation supplement, including the HAS, require IT system changes within Services Australia. Making sure we get these processes correct will take a little time, with the changes to the supplement being introduced at the same time as the bi-yearly indexing of the supplements at 20 March 2027.

High supported resident ratio \$20 top up payment

How does the \$20 per supported resident top up for homes with a supported resident ratio of 60% or higher work? Do I need to apply for the top up?

No, the top up will be paid as part of your home's monthly claim, based on your monthly supported resident ratio. The ratio must be 60% or higher. You will need to continue to qualify for the supplement each month.

Is the \$20 per supported resident top up for homes with a supported resident ratio of 60% or higher limited to homes that qualify for the HAS?

No, any home with a supported resident ratio of 60% or higher will receive the top up. It is payable to homes receiving either the base accommodation supplement or the HAS.

Is the top up for homes with a supported resident ratio of 60% or higher an ongoing payment?

No, this payment has an end date of 30 June 2036.

Will the high supported resident ratio \$20 top up payment impact on means testing?

No, the top up is a separate payment and will not impact on the means testing of residents.

Capital Subsidy Payments

I am building a new residential aged care home. How do I apply for new home status, and do I need to apply for the HAS?

A form will be available for new homes to apply for the new home capital subsidy. The application will include a mechanism to automatically apply for the HAS. There is no need to separately apply for the HAS.

I am knocking down and rebuilding a residential aged care home in the same location. The homes will not operate concurrently. Will I be eligible for the new home capital subsidy?

Yes, a complete knockdown rebuild is considered eligible as a new home.

I am constructing a second building to deliver residential aged care services on the same site as an existing residential care home. Will I be eligible for the new home capital subsidy?

No. This is because one or more of the buildings has been used to deliver residential aged care services. The home would only be eligible for the significant improvement payment, if the new building met the 40% or more increase in beds requirement.

My home does not currently qualify for the HAS. We are planning a substantial renovation that will increase our resident numbers by 45% and wish to apply for the new specialised improvement payment (SIP). Do we also need to apply for the HAS?

No, the application form for the SIP will include a mechanism to automatically apply for the HAS for those homes that do not currently have HAS status. There is no need to separately apply for the HAS.

My home does not currently qualify for the HAS. We are planning a renovation that is unlikely to qualify for the new specialised improvement payment (SIP). Can we still apply for the HAS?

Yes, the HAS application process will remain in place for homes not eligible for the specialised improvement payment (SIP).

If I build a new home in 2026 and add a new wing in 2045 that increases the resident count by 45% will I receive both payments?

No, you will receive the new home payment of \$30 per supported resident per day until 31 December 2051 when the scheme concludes. The payment will be provided for all supported residents in the home, no matter where they are located within the building.

If I build a new home in 2035, will I receive the \$30 per supported resident per day for 25 years?

No, you will only receive the payment until the scheme's conclusion on 31 December 2051.

If I built a new home, what's the maximum level of funding I would receive per supported resident?

The maximum level of funding you could receive per supported resident, in a new home with a supported resident ratio of 60% or higher is \$127.30 per resident per day. This figure includes:

- \$77.30 – maximum HAS rate
- \$20 top up for the high supported resident ratio
- \$30 for the new home payment.