

## Refundable Accommodation Deposit – Decision (Conditional Approval)



Ms Hannah Roberts  
Chief Executive Officer  
Meadow Bank Group Pty Ltd  
PO Box 123  
DURHAMVALE NSW 2000

By email: ceo@mbg.net.au

Dear Mrs Roberts

### CONDITIONAL APPROVAL TO CHARGE A HIGHER THAN MAXIMUM ACCOMMODATION PAYMENT AMOUNT

#### SUNFLOWER AGED CARE SERVICES

Date of decision: 1 July 2023

I refer to your application under s 52G-4 of the *Aged Care Act 1997* (the Act) for approval to charge a higher than maximum accommodation payment as a Refundable Accommodation Deposit (RAD) or the equivalent at Sunflower Aged Care Services.

Your application was received by the Independent Health and Aged Care Pricing Authority (IHACPA) on 2 May 2023.

#### Decision

- Under section 52G-4(5) of the Act, I have conditionally approved a higher maximum accommodation payment amount for 14 room/s in the "Classic Suite" accommodation group as follows:
  - \$600,000: this conditionally approved amount applies where there is one person residing in the room described.

The conditionally approved amount is the maximum amount that you may charge a person as an accommodation payment in the accommodation group described.

- Under section 52G-4(5) of the Act, I have conditionally approved a higher maximum accommodation payment amount for 14 room/s in the "Deluxe Suite" accommodation group as follows:
  - \$650,000: this conditionally approved amount applies where there is one person residing in the room described.

The conditionally approved amount is the maximum amount that you may charge a person as an accommodation payment in the accommodation group described.

Independent Health and Aged Care Pricing Authority  
Eora Nation, Level 12, 1 Oxford Street Darlinghurst NSW 2000  
PO Box 483 Darlinghurst NSW 1300  
P: (02) 8215 1193 | ABN: 27 598 959 960

This decision letter informs a provider they have been given conditional approval to charge higher Refundable Accommodation Deposit (RAD) amounts. This means that the approval is subject to conditions, usually completion of a refurbishment or construction programme.

The provider cannot advertise or charge the amounts listed in this letter until evidence of completion has been verified by IHACPA and the provider has been issued with a 'Satisfaction of Conditions' letter.

The decision applies to the name of the service shown here.

The date the decision to grant conditional approval was made.

A conditional approval does not take effect until the provider has received a 'Satisfaction of Conditions' letter from IHACPA confirming that they can commence charging a higher RAD amount.

The 'Decision' section details the number of rooms, at what price and for how many people per room are conditionally approved.

Example 1: The provider is conditionally approved to charge up to \$600,000 for one person living in a room in the 'Classic Suite' accommodation group.

An accommodation group is a group of rooms that are similar in size, quality, comfort and features and are priced at the same RAD amount.

There are 14 rooms in this group.

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3. Under section 52G-4(5) of the Act, I have conditionally approved a higher maximum accommodation payment amount for 4 room/s in the “Premium Suite” accommodation group as follows:

- \$750,000: this conditionally approved amount applies where there is one person residing in the room described.

The conditionally approved amount is the maximum amount that you may charge a person as an accommodation payment in the accommodation group described.

4. Under section 52G-4(5) of the Act, I have conditionally approved a higher maximum accommodation payment amount for 2 rooms in the “Premium Companion Suite” accommodation group as follows:

- \$1,200,000: this conditionally approved amount applies where there is one person residing in the room described.
- \$600,000: this conditionally approved amount applies **per person** where there are **two people** residing in the room described and who are known to each other.

The conditionally approved amount is the maximum amount that you may charge a person as an accommodation payment in the accommodation group described.

The rooms conditionally approved in the above accommodation groups are as follows:

Accommodation Group	Number of Rooms	Room Numbers
Classic Suite	14	1 – 14
Deluxe Suite	14	15 – 28
Premium Suite	4	29 – 32
Premium Companion Suite	2	33 – 34

### Conditional approval subject to verification

Section 26 (3) of the *Fees and Payments Principles 2014 (No. 2)* (the Principles) provides that if an application relates to proposed rooms, the Pricing Authority may approve the higher maximum accommodation payment subject to the condition that the approval does not take effect unless:

- (a) you provide the following information to the Pricing Authority, in writing:
- evidence showing that the construction or refurbishment of the room, or part of the room, has been completed and that the completed or refurbished room is equivalent to or better than the proposal described in the application; and
  - the total actual cost of the completed construction or refurbishment.

and

- (b) you receive notification that the Pricing Authority is satisfied that the requirements referred to in paragraph (a)(i) above have been met in relation to the room or part of the room and that:
- the actual cost of the completed construction or refurbishment is not significantly lower than the proposed cost\* of the construction or refurbishment; or

Example 2: The provider is conditionally approved to charge up to \$1,200,000 for one person living in a room in the ‘Premium Companion Suite’ accommodation group. If two people live in the room they may pay up to \$600,000 each. There are two rooms in this group.

The accommodation groups that have been approved in the service and information about the rooms that are included in each group.

The conditions the provider must meet before they are given final approval to start charging the conditionally approved prices in the ‘Decision’ section of this letter on pages 1 and 2.

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- (ii) if the actual cost of the completed construction or refurbishment is significantly lower than the proposed cost of the construction or refurbishment and if the lower actual cost had been provided to the Pricing Authority with the application as the proposed cost, the Pricing Authority would still have approved the higher maximum accommodation payment amount applied for.

\*The proposed cost is the sum of the estimated construction and fit out cost of approximately \$10,000,000 referred to in your application.

You may provide evidence of completion and total actual cost of your construction or refurbishment in the form of a statement from your Chief Financial Officer or equivalent of the actual construction and fit-out costs, a copy of your occupancy certificate and photographs of completed representative rooms in each of the accommodation groups and common areas.

### Reasons

In deciding whether to approve the higher than maximum accommodation payment amount, I have considered:

- the information provided by you in your application
- your response to a formal request for information issued to you on 1 June 2023
- the factors that I am required to or may consider as set out in section 26(2) of the Principles.

I find that the information you provided supports the accommodation payment amount for which you have sought approval, subject to the condition that the approval does not take effect until I am satisfied that the conditions identified above in the section titled “Conditional approvals subject to verification” have been met.

### Duration of approval

The approval to charge the maximum accommodation payment amount ceases to have effect at the end of four years beginning on the date on which you are notified that the conditions referred to in “Conditional approvals subject to verification” above have been satisfied, or if there is a change in the location at which residential care is provided through the service.

### Further Information

It is your obligation as an approved provider to maintain accurate pricing information on the My Aged Care website.

If you have any questions about the information published on My Aged Care, please contact the Department of Health and Aged Care at [myagedcare@health.gov.au](mailto:myagedcare@health.gov.au).

If you have any questions about this approval, please contact the IHACPA by telephone on (02) 8215 1193, by email on [applications.accommodation@ihacpa.gov.au](mailto:applications.accommodation@ihacpa.gov.au) or by mail to the Independent Health and Aged Care Pricing Authority, PO Box 483, Darlinghurst NSW 1300.

Yours sincerely

Genevieve Donnelly  
Executive Director  
Aged Care Policy and Communications  
Independent Health and Aged Care Pricing Authority

**Decision date: 1 July 2023**

The ‘Reasons’ section sets out what the delegate must consider when deciding whether to conditionally approve a higher RAD amount.

The provider can only start charging the conditionally approved prices in the ‘Decision’ section of this letter on pages 1 and 2 once they have received a ‘Satisfaction of Conditions’ letter.

This may show a conditional approval given by the Aged Care Pricing Commissioner (ACPC).

This is because prior to 12 August 2022, assessment and approval of higher RAD amounts were the responsibility of the ACPC. The decision is still valid if it is from the ACPC as long as the date of approval is current.

The date the decision to grant conditional approval was made. A conditional approval does not come into force until the provider has received a subsequent ‘Satisfaction of Conditions’ letter from IHACPA confirming that they can commence charging a higher RAD amount.