



Australian Government
Department of Health

2018-19

Aged Care Approvals Round

Questions and Answers

This document can be downloaded at: [2018-19 Aged Care Approvals Round](#)

Last updated	30 July 2018
What has been updated	Additional information regarding financial tables, milestones table and eligibility (pages 35-37, 8.4, 8.5, 8.6, 8.7 and 8.8)

Note: As necessary, these ‘Questions and Answers’ will be updated from the date of the Invitation to Apply (2 July 2018) and one week before the closing date for applications (3 August 2018).

Additional information regarding financial tables, milestones table and eligibility (pages 35-37, 8.4, 8.5, 8.6, 8.7 and 8.8)
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Australian Government
Department of Health

2018-19 ACAR Questions and Answers

Chapter 1 - The Aged Care Approvals Round (ACAR)

1.1 2018-19 ACAR timeline

- The 2018-19 ACAR Invitation to Apply (ITA) period opens on 2 July 2018
- the 2018-19 ACAR ITA will close at 11:59 pm (AEST) on 10 August 2018
- results of the 2018-19 ACAR are expected to be announced by April 2019
- the results will be made available on the department's website, with individual results provided to applicants by post.

1.2 What is the Aged Care Approvals Round?

The ACAR is a competitive application process that enables prospective and existing Approved Providers of aged care to apply for a range of new Australian Government funded aged care places (residential care and STRC places) and financial assistance in the form of a capital grant for eligible providers.

The three level process of the ACAR is set out in the *Aged Care Act 1997* (the Act) and the Aged Care Principles:

- the creation of the number of places in each jurisdiction by the Minister, through a Ministerial Determination published on the [department's website](#)
- the targeting of specific geographic locations, Special Needs Groups and Key Issues by the Secretary, and
- the Secretary of the department's allocation of those places to specific providers after a competitive selection process. Applications are assessed in accordance with the criteria specified in the legislation.

1.2.1 What can I apply for in the 2018-19 ACAR?

In the 2018-19 ACAR, nationally, applicants can apply for:

- 13,500 residential care places
- 775 short-term restorative care (STRC) places (350 for 2018-19 and 425 for 2019-20)
- up to \$60 million in capital grants.

The residential care places available for allocation in each state and territory are as follows:

Allocation year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	3,349	1,415	4,289	3,295	431	212	360	149	13,500

Please note: *the department does not guarantee that the exact number of places will be allocated to each state and territory. The final allocation of places will reflect the best use of all of the available places, based upon the applications received and outcomes of the overall assessment process.*

The STRC places available for allocation in each state and territory are as follows:

Allocation year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	100	90	80	35	15	10	10	10	350
2019-20	135	105	85	40	28	12	10	10	425
Total	235	195	165	75	43	22	20	20	775

1.2.2 How is the number of places decided?

Successive governments have been working towards achieving a national provision level of 125 places for every 1,000 people aged 70 years or over, by 2021-22. This is known as the aged care provision ratio and comprises 78 residential places, 45 home care and two restorative care places.

Each year, new aged care places are made available for allocation in each state and territory, having regard to the aged care provision ratio, population projections, and the level of current service provision.

The process for planning the allocation and distribution of new residential care and STRC places is set out in the the Act. The broad objectives of the process are to identify community needs, including people from Special Needs Groups, and to allocate places in a way that best meets the identified aged care needs of the community.

1.2.3 How are places distributed across states and territories?

The distribution of new places across each state and territory seeks to achieve a balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing different levels of care.

The number of new places made available for allocation in each state and territory is influenced by:

- the aged care provision ratio
- population projections in each state and territory provided by the Australian Bureau of Statistics, and
- current levels of service provision in each state and territory, including newly allocated places not yet operational.

1.2.4 Are there any areas that the department will target for new aged care places?

Residential care and STRC places have been made available for allocation at the state and territory level. By making places available in this manner, applicants are able to base the number of places sought on service projections and need, rather than the number of places indicatively made available in an Aged Care Planning Region (as was the case for ACARs prior to 2016-17).

In the 2018-19 ACAR, there is specific targeting for need in particular geographic locations, for Special Needs Groups and for Key Issues. This information is available on the [department's website](#) and in **Chapter 6** of the 2018-19 ACAR Essential Guide.

Please note that applications are encouraged from all areas of Australia, including metropolitan areas. Applicants who submit proposals in areas with a limited need for additional aged care places (for example well supplied metropolitan or inner regional locations) should consider themselves to have a reduced likelihood of approval.

Prospective applicants are encouraged to consider the relative need of particular locations before investing too heavily in the development of ACAR applications. As the Secretary of the department must allocate places in a manner which best meets the needs of the aged care community, the current levels of supply in specific locations should be a key consideration before preparing an ACAR application.

Regardless of the location for your organisation's service proposal(s), you will need to demonstrate an understanding of how need is currently being addressed. Applicants in metropolitan areas will

have different considerations to those wanting to focus their proposals in regional, rural and remote areas.

1.2.5 Priority for regional, rural and remote areas

In the 2018-19 ACAR, the department will give priority to assessing and allocating places to suitable applications for residential care places for services located in regional, rural and remote areas.

These comprise inner regional, outer regional, remote and very remote areas as per the Australian Statistical Geography Standard (ASGS) Remoteness Structure.

2018-19 ACAR	ASGS Remoteness Areas 2016
Regional, Rural and Remote	Inner Regional Australia Outer Regional Australia Remote Australia Very Remote Australia
Metropolitan	Major Cities of Australia

You can determine whether your current or proposed service address falls within a regional, rural or remote area or a metropolitan area at the 2018-19 ACAR Map:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/ACAR-Map2018-19>.

Suitable applications in regional, rural and remote areas will be considered and allocated places before metropolitan areas (noting that applicants must still demonstrate their ability to provide quality care and operationalise places in a timely manner, to be rated as 'suitable').

In keeping with the demographic split of the Australian population (roughly 70% metropolitan, 30% regional, rural and remote), it is anticipated that the majority of residential places available will still be allocated within metropolitan areas. It is hoped, however that the regional, rural and remote focus may yield a greater response from these parts of the country.

Please note: Applications specifically addressing Special Needs Groups (defined in the Act) and Key Issues (particularly dementia and residential respite) are encouraged from all locations; metropolitan, regional, rural or remote. Likewise, applications for mainstream metropolitan services are still encouraged.

1.2.6 Is financial assistance available through the ACAR?

Under the Australian Government funding framework for residential care, it is the responsibility of the Approved Provider to meet the costs associated with the development, construction, maintenance and upgrade of aged care services.

However, in limited circumstances, financial assistance in the form of residential care grants (capital grants) may be made available through the ACAR. Capital grants are available in relation to residential care services through the Rural, Regional and Other Special Needs Building Fund (the Fund).

Capital grants are provided for the construction or upgrade of residential care buildings:

- in rural, regional and remote areas of Australia; and/or
- which specifically focus on the provision of residential care to people from Special Needs Groups or concessional, supported, assisted or low-means residents (as defined under the Act), including major cities; and

- in a location where there is a demonstrated need for additional residential care services.

Capital grants are only available to organisations that cannot afford to fund the proposed capital works without a grant from the Australian Government. Most capital works in the aged care sector proceed without a capital grant.



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2018-19 ACAR Questions and Answers

Chapter 2 - Background on aged care in Australia

2.1 What types of aged care services can consumers access?

The aged care system in Australia offers a continuum of care options for older people as their care needs change over time. Aged care services can be provided in an individual's home or in a residential care service.

There are three main types of aged care services:

- home support, through the [Commonwealth Home Support Programme](#)
- home care, through the [Home Care Packages Program](#), and
- residential care.

Consumers can also access care services through a range of complimentary programs funded by the Australian Government including the [Multi-Purpose Services Program](#), the [National Aboriginal and Torres Strait Islander Flexible Care Program](#), the [Short-Term Restorative Care Programme](#) and the [Transition Care Programme](#). These flexible care programs form part of a continuum of care options available for older people in Australia as their care needs change over time.

Please refer to the [department's website](#) for further information on any of the programs listed, or alternatively you may access this information by clicking on the links provided above.

2.1.1 How do consumers access aged care services?

To access aged care services, an assessment must be undertaken to determine care needs and a person's eligibility for aged care services. The [My Aged Care](#) contact centre can conduct an initial assessment over the phone and refer a consumer for:

- a home support assessment with a Regional Assessment Service (RAS) assessor for low level support to assist the consumer to continue to live independently in their home; or
- a comprehensive assessment with an Aged Care Assessment Team (ACAT) assessor if the consumer has more complex care needs.

Following the RAS or ACAT assessment, consumers receive a formal decision on their assessed care needs and their eligibility to receive subsidised aged care services.

More information about assessments and accessing aged care services is available on the [My Aged Care](#) website.

2.2 How many aged care places are currently available across Australia?

As at 30 June 2017, there were 204,335 residential care places and 4,419 restorative care places operational across Australia. A state breakdown of the number of operational places is in the table below:

State/Territory	Residential Care ¹	Restorative Care ²
New South Wales	70,050	1,466
Victoria	53,695	1,100
Queensland	37,106	825
Western Australia	16,580	435
South Australia	18,649	367
Tasmania	5,031	119
Australian Capital Territory	2,538	68
Northern Territory	686	39
Total	204,335	4,419

¹ Residential care includes flexible residential care places in the: Multi-Purpose Service (MPS) Program, Aged Care Innovative Pool Programme and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Data from the *Stocktake of Australian Government Subsidised Aged Care Places (30 June 2017)*.

² Restorative care includes places in the Transition Care Programme and the Short-Term Restorative Care Programme. Data from the *Stocktake of Australian Government Subsidised Aged Care Places (30 June 2017)*.

Following the Increasing Choices changes on 27 February 2017, places for the Home Care Packages Program are now assigned to consumers and not to services. Consequently, places data for the Home Care Packages Program are no longer captured in the annual *Stocktake of Australian Government Subsidised Aged Care Places*.

As at 30 September 2017, there were 74,205 consumers receiving a home care package.

State/Territory	Level 1	Level 2	Level 3	Level 4	Total
New South Wales	436	17,306	2,231	4,436	24,409
Victoria	344	13,222	1,673	3,493	18,732
Queensland	164	9,785	1,269	3,141	14,359
Western Australia	27	3,716	699	2,457	6,899
South Australia	82	4,091	515	1,032	5,720
Tasmania	49	1,322	170	367	1,908
Australian Capital Territory	21	828	111	449	1,409
Northern Territory	≤10	543	30	139	716
Unknown	≤10	39	≤10	≤10	53
Total	1,127	50,852	6,702	15,524	74,205

Data from the Home Care Packages Program – Data Report 2nd Quarter 2017-18, 1- October – 31 December 2017 (March 2018).

2.3 How can prospective Approved Providers of aged care receive aged care places?

Residential care places, capital grants and short-term restorative care (STRC) places are only allocated through the Aged Care Approvals Round (ACAR). The eligibility requirements for the various components of the ACAR are outlined in Section 3, however it is important to note that to be eligible to receive an allocation of residential care places, capital grants and STRC places, you must be an Approved Provider of Australian Government subsidised aged care services.

Please note that applicants do not need to be an ‘Approved Provider’ at the time they submit their ACAR application(s), however no decision can be made with respect to any ACAR application until Approved Provider status is determined.



Australian Government
Department of Health

2018-19 ACAR QUESTIONS AND ANSWERS

Chapter 3 - Eligibility requirements for aged care places and capital grants

3.1 What is an Approved Provider?

An Approved Provider of aged care is an organisation that has been approved to provide residential care, home care or flexible care under the Act. To receive Australian Government aged care subsidies an organisation must be an Approved Provider.

An Approved Provider is responsible for the decisions about the delivery of care, financial management of subsidies and care recipient's fees and payments. The Approved Provider has responsibilities and obligations to deliver the care in line with the standards that are specified in the Act and the Aged Care Principles.

An Approved Provider is only eligible to receive a subsidy payment when care recipients are assessed by an ACAT as being eligible to receive that type of care.

The Australian Government also funds Approved Providers through the Home Care Packages Program through a subsidy under the same conditions as outlined above. However, while residential care places and STRC places are allocated directly to Approved Providers, home care packages are allocated directly to a consumer by an ACAT. Consumers are then free to identify and engage any Approved Provider of their choosing as a result of the reforms introduced on 27 February 2017.

Please visit the [department's website](#) if you are seeking to become an Approved Provider of Australian Government subsidised aged care services.

3.1.1 Will I be competitive if I don't have a previous history as an Approved Provider?

In the ACAR, new aged care places and capital grants are allocated to those applicants who, through an independent, competitive assessment process carried out by the department, best demonstrate they can meet the aged care needs of a geographic location. Any organisation which is not yet an Approved Provider, but can demonstrate their ability to deliver quality aged care, is encouraged to apply in the ACAR. For example, operators of retirement villages and providers of Commonwealth Home Support Programme services may wish to draw on their experience in delivering high quality services to the aged when developing their ACAR applications.

3.2 What are the eligibility requirements for applying for new places and/or a capital grant?

Eligibility requirements for the different care types and capital grants available through an ACAR are set out below. Prospective applicants are required to consider the requirements set out below and in the ITA and determine their own eligibility. The department conducts a threshold eligibility assessment following the closure of the application period and, if needed, advise ineligible applicants after this time.

The eligibility requirements for residential care places, capit grants and STRC places differ from each other. Applicants are required to understand the eligibility requirements relating to their proposal(s). Failure to comply with the eligibility requirements set out below and in the relevant legislation will result in applications being deemed ineligible.

3.2.1 Eligibility for residential care places

In order to receive an allocation of residential care places, applicants must be:

- incorporated
- approved to provide residential care under the Act.

3.2.2 Eligibility for capital grants

In order to receive a capital grant, applicants must:

- be incorporated
- be approved to provide residential care under the Act
- not be a state or territory government or an authority of a state or territory government
- not hold a grant of Extra Service Status (ESS) at the service to which the application for a residential care grant relates
- be able to prove you cannot fund all of the capital works, including through debt funding. If you are part of a parent organisation, this includes that your parent organisation does not have the capacity to fund the works
- be the Approved Provider of the service to which the capital grant application relates
- hold an allocation, or be applying for an allocation, of residential care places at the service which is seeking a capital grant
- not be applying in regard to a project where capital works have already been contracted, or commenced, or completed.

3.2.3 Eligibility for STRC places

In order to receive an allocation of STRC places, applicants must be:

- incorporated
- approved to provide flexible care under the Act.

3.3 How can I access the application forms and the 2018-19 ACAR Essential Guide?

All application forms and the 2018-19 ACAR Essential Guide are available for downloading from the department's website at agedcare.health.gov.au/2018-19ACAR. If you are not able to download these forms you may email ACAR@health.gov.au.

You are reminded that by endorsing any application, you are also required to certify you have read the 2018-19 ACAR Essential Guide.

3.3.1 Which application forms should I use if I am applying only for residential care places?

Applicants seeking only residential care places should:

- complete Part A – Applicant Details and Financial Information application form **once** for their organisation
- complete Part B – Residential Care Places and/or Capital Grant application form for **each** service the applicant is seeking residential care places.

All potential applicants applying for residential care places must read **Chapters 1, 2, 3** and **6** of the 2018-19 ACAR Essential Guide.

3.3.2 Which application forms should I use if I am applying only for a capital grant?

Applicants seeking only a capital grant should:

- complete Part A – Applicant Details and Financial Information application form **once** for their organisation
- complete Part B – Residential Care Places and/or Capital Grant application form for **each** service the applicant is seeking a capital grant.

All potential applicants applying for a capital grant must read **Chapters 1, 2,3** and **4** of the 2018-19 ACAR Essential Guide.

3.3.3 Which application forms should I use if I am applying for residential care places AND a capital grant?

Applicants seeking residential care places AND a capital grant should:

- complete Part A – Applicant Details and Financial Information application form **once** for their organisation,
- complete Part B – Residential Care Places and/or Capital Grant application form for **each** service the applicant is seeking residential care places **AND** a capital grant.

All potential applicants applying for residential care places and a capital grant must read **Chapters 1, 2, 3, 4** and **6** of the 2018-19 ACAR Essential Guide.

3.3.4 Which application forms should I use if I am applying for Short-Term Restorative Care places?

Applicants seeking Short-Term Restorative Care places should:

- complete Part A – Applicant Details and Financial Information application form **once** for their organisation
- complete Part C – Short-Term Restorative Care Places 2018-19 & 2019-20 application form for **each** service the applicant is seeking Short-Term Restorative Care places.

All potential applicants applying for Short-Term Restorative Care places must read **Chapters 1, 2, 5** and **6** of the 2018-19 ACAR Essential Guide.

3.3.5 Which application forms should I use if I am applying for both residential care and Short-Term Restorative Care places?

Applicants seeking both residential care and Short-Term Restorative Care places should:

- complete Part A – Applicant Details and Financial Information application form **once** for their organisation,
- complete Part B – Residential Care Places and/or Capital Grant application form for **each** service the applicant is seeking residential care places
- complete Part C – Short-Term Restorative Care Places 2018-19 & 2019-20 application form for **each** service the applicant is seeking Short-Term Restorative Care places.

All potential applicants applying for residential care places and Short-Term Restorative Care places must read **Chapters 1, 2, 3, 5** and **6** of the 2018-19 ACAR Essential Guide.

3.3.6 Who can sign an application form?

Your application can be signed only by those people who are legally empowered to give assurances and enter into contracts and commitments on behalf of the applicant organisation.

In addition, in signing your application form, the signatory is also affirming that the application has the full consent and support of your organisation's Board of Directors or other relevant authority.

3.3.7 How can I sign an application form and affix a company seal?

Electronic signature copies and company seals can be inserted directly into your electronic application form. Please note, that should an applicant wish to hand sign or affix a company seal on the Part A endorsement page of their application, applicants are able to send that page as a PDF. The rest of the completed application form should be submitted in the correct Microsoft Word 'doc' file format (see **Chapter 1** of the 2018-19 ACAR Essential Guide for further detail).

3.4 Prioritisation of assessment and allocation for residential places

Applications from all areas of Australia are sought for the 2018-19 ACAR and all valid applications will be considered.

However, the level to which applications are sought will now be given a category of prioritisation, from Category 1 (highest priority) down to Category 6 (lowest priority). Further information on how priority is determined is included in **Chapter 6** of the 2018-19 ACAR Essential Guide.

The new six level categorisation takes into account a range of factors including the priority for regional, rural and remote applications, current levels of service provision including progress against the national target aged care provision ratio and submissions made to the stakeholder consultation to identify unmet needs in residential care.

For the 2018-19 ACAR, if you are applying in an area which is not highly prioritised, your application may not be fully assessed or considered for allocation of places. The assessment of applications and allocation of places will start with the most highly prioritised areas and work its way down as follows:

Priority No.	Priority
Priority 1	Assessment of all Category 1 applications and allocation of places to those suitable*
Priority 2	If places remain available, assessment of all Category 2 applications and allocation of places to those suitable
Priority 3	If places remain available, assessment of all Category 3 applications and allocation of places to those suitable
Priority 4	If places remain available, assessment of all Category 4 applications and allocation of places to those suitable
Priority 5	If places remain available, assessment of all Category 5 applications and allocation of places to those suitable
Priority 6	If places remain available, assessment of all Category 6 applications and allocation of places to those suitable.

Therefore, if you are applying in a lower level Category (particularly 5 to 6) you should be aware that, if the process exhausts the supply of places, it is possible your application may not be fully assessed.

Regardless of the above, you may still submit an application in any area and/or for any group/issue for which you can make a case for need.

You can determine what level Category your current or proposed service address falls within at the 2018-19 ACAR Map: <http://www.health.gov.au/internet/main/publishing.nsf/Content/ACAR-Map2018-19>.

***Please note:**

- within each Category, your application for residential places may also not be fully assessed if you specify timeframes beyond the legislated provisionally allocated period of four years (with two possible extensions of 12 months each)

- factors which make an application 'suitable' for allocation of places include prioritisation, any targeting identified and/or addressed, the need in the relevant area, any case built by the application for need, other applications received in the same area, as well as current levels of service provision, demographics and any other information relevant to individual areas. See **Chapter 1** and **Chapter 6** of the 2018-19 ACAR Essential Guide for further details.

3.4.1 Prioritisation of assessment and allocation for STRC places

Due to the limited number of places available, applications for STRC places are not subject to the same prioritisation of category as applications for residential care.

However, you should note that preference may be given to applications in Aged Care Planning Regions which do not currently have access to STRC places. Details of existing STRC allocations can be found in the 'Short-Term Restorative Care place allocations' documents located on the [department's website](#).

The assessment and allocation process will then seek to achieve an even geographical spread of STRC place availability, based on the merit of applications.

In addition, you should be aware that your application for STRC places may not be fully assessed if your timeframe to operationalise places is not competitive, particularly where you are seeking STRC places in the 2018-19 financial year.

Given the level of competition for STRC places in the 2016-17 ACAR, you are strongly encouraged to consider the [general feedback](#) provided for unsuccessful applicants in that process. This information explains where less competitive applications could have been strengthened.

3.4.2 Grant priority targeting expanded to all Special Needs Groups under the Act

In 2013, the Australian Government committed to earmark \$11.5 million per year, over four years (ending 2016-17) from the Rural, Regional and Other Special Needs Building Fund to support residential care for older people from culturally and linguistically diverse (CaLD) backgrounds. This commitment has now ended.

Instead, in the 2018-19 ACAR, \$11.5 million (of the total \$60 million available for capital grants) will be made available for suitable proposals which specifically aim to increase or ensure access of care to any of the range of Special Needs Groups under the Act, in areas where there is an unmet need from that group. This will continue to include CaLD.

The Special Needs Groups under the Act:

- (a) people from Aboriginal and Torres Strait Islander communities (ATSI);
- (b) people from culturally and linguistically diverse backgrounds (CaLD);
- (c) people who live in rural or remote areas (R-R);
- (d) people who are financially or socially disadvantaged (FSD);
- (e) veterans (VET);
- (f) people who are homeless or at risk of becoming homeless (HOM);
- (g) care leavers (CLV);
- (ga) parents separated from their children by forced adoption or removal (PSC);
- (h) lesbian, gay, bisexual, transgender and intersex people (LGBTI).

See **Chapter 4** of the 2018-19 ACAR Essential Guide for further information.

3.5 Invalid applications

In addition to the eligibility requirements set out above, an application will only be deemed valid if:

- it is in response to an invitation to apply for an allocation of places
- it is made on or before the closing date specified in the ITA
- it is on the approved application form
- it is accompanied by the statements and other information required by that form and the applicant complies with any requests for further information (if so requested by the department).



Australian Government
Department of Health

2018-19 ACAR QUESTIONS AND ANSWERS

Chapter 4 - Capital grants

4.1 How much capital grant funding is available in my state/territory?

There will be up to \$60 million in capital grant funding made available for allocation in this ACAR. This includes approximately \$11.5 million that has been earmarked to support access to residential care for older people from Special Needs Groups, as specified under the Act.

There is no set amount of capital funding made available to any particular state or territory. Capital grants are allocated on a national basis through a single competitive process, with all applications assessed against the publicly available eligibility and assessment criteria. The success of an application for the limited funding available relates to whether you can demonstrate a more urgent need for the capital works (in relation to access to residential care places), and a lack of capacity to fund the capital works from all other sources, including debt financing, when compared with other applications.

4.2 If I have already commenced construction work, am I eligible to apply for a capital grant?

No. A capital grant will not be allocated for capital works that have been contracted, commenced or completed prior to the formal execution of a Grant Agreement.

4.3 I work for a state government instrumentality. Am I eligible to apply for a capital grant?

No. Capital funding will not be made available to services where the Approved Provider is a state or territory government, or an authority of a state or territory government.

4.4 Can I apply for a capital grant if the premises are leased?

Yes. Funding will be provided to applicants only where the lessor agrees to the proposal and guarantees operation of the premises as a residential care services for a period of up to 20 years following the completion of the capital works. These conditions will form part of the Grant Agreement and require a Deed of Acknowledgement between the lessor and the Commonwealth.

4.5 How will my application for a capital grant be assessed?

Capital grants are allocated on a national basis through a single competitive process, with all applications assessed against the publicly available eligibility and assessment criteria. The success of an application for the limited funding available relates to whether you can demonstrate a more urgent need for the capital works (in relation to access to residential care places), and a lack of capacity to fund the capital works from all other sources, including debt financing, when compared with other applications.



Australian Government
Department of Health

2018-19 ACAR QUESTIONS AND ANSWERS

Chapter 5 - Things to consider when applying in the ACAR

5.1 How competitive is the ACAR process?

The 2016–17 ACAR application process for residential care places and capital grants was highly competitive. The 2016–17 ACAR resulted in the allocation of 9,911 new residential care places, 475 STRC and \$64 million in capital grant funding to develop new or redevelop existing residential care services.

The department received applications for:

- 45,053 new residential care places. This was an increase of more than 15 per cent on the number sought in the 2015 ACAR, with approximately 4.5 new places sought for every place available
- 18,001 new STRC places, with approximately 37.9 new places sought for every place available
- over \$415 million in capital grant funding.

Further information about the 2016-17 ACAR is available on the [department's website](#).

5.2 Why is it important to identify the need for aged care in my geographic location?

Under the provisions set out in the Act, the Secretary must allocate new residential and flexible care places in a manner which best meets the needs of the aged care community. While applicants are expected meet suitability thresholds, the primary consideration of the assessment and recommendation processes is to ensure, where possible, that residential care and STRC places are allocated in areas of highest need.

Depending on the location for your organisation's service proposal(s), you will need to demonstrate an understanding of how need is currently being addressed. Applicants in metropolitan areas will have different considerations to those wanting to focus their proposals in regional, rural and remote areas.

Applicants electing to prepare proposals in areas with a limited need for additional aged care places, for example well supplied metropolitan or inner regional locations, should consider themselves to have a reduced likelihood of approval.

Prospective applicants are encouraged to consider the relative need of particular locations before investing too heavily on the development of ACAR applications. As the Secretary of the department must allocate places in a manner which best meets the needs of the aged care community, the current levels of supply in specific locations should be a key consideration before preparing an ACAR application.

Refer to the 2018-19 ACAR Essential Guide and [2018-19 ACAR Map](#) (for residential care and capital grant applications only) for further detail of the need for aged care in an area.

To assist applicants, and complement the [2018-19 ACAR Map](#), a one-page snapshot of graphs and tables is available on the [department's website](#) to help inform their understanding of aged care needs in a given location. These snapshots provide an overview of aged care service provision, population projections and special needs group data for each SA3 and at the state and territory level.

5.2.1 Metropolitan application considerations

Many of the metropolitan regions are well stocked with residential care places, both operational and allocated compared to regional, rural and remote areas. When considering need within metropolitan locations, applicants are advised to consider:

- where will the proposed service be located?
- what is the proximity to other services?
- are there any established links with other aged care services delivered in the area?
- will the proposal help the community by filling a known service gap?
- would the proposed service be viable both in the short, medium and long term?
- will the proposed service offer Special Needs Group and/or Key Issue targeting not already catered for in the general service catchment area?
- will the proposed service provide innovative building design, service delivery and experience for potential care recipients and their families?

Prospective applicants are advised that proposals in locations well stocked with residential care places may not be considered competitive against other applications, irrespective of the quality of the written application. In making decisions about which applications to approve, the Secretary must be satisfied that the allocations will best meet the needs of the aged care community. Applications that meet the required standard in areas of high need will likely be prioritised over applications in areas that are well stocked.

5.2.2 Regional, rural and remote application considerations

Regional, rural and remote regions comprise inner regional, outer regional, remote and very remote locations as per the Australian Bureau of Statistics' Australian Standard Geographical Classification Remoteness Structure. When considering the aged care needs of communities in regional, rural and remote locations, applicants are advised to consider:

- are there any other services located within the community?
- what is the proximity to other services?
- are there any established links with other aged care services delivered in the area?
- will the proposal help the community by filling a known service gap?
- would the proposed service be viable both in the short, medium and long term?
- will the proposed service offer Special Needs Group and/or Key Issue targeting not already catered for in the area?
- will the proposed service provide innovative building design, service delivery and experience for potential care recipients and their families?

5.3 Do I need to hire a consultant to apply for ACAR?

No. The [department's website](#) will provide a full range of resources to assist applicants to apply for ACAR. Application forms for 2018-19 ACAR have been simplified and streamlined.

- while choosing to engage a consultant to assist in developing an ACAR application is entirely a business decision for applicants, there is no evidence that doing so will improve your chances of success
- the ACAR is not an essay-writing competition. Factors such as location, level of need, Special Needs Group/Key Issue targeting have far more bearing on application results than writing style
- for the 2018-19 ACAR, there will be specific targeting for need in particular geographic locations. This information is available on the [department's website](#) and in the 2018-19 ACAR Essential Guide

- the majority of the issues applicants encounter in applying for ACAR could be avoided by careful reading of the guidance provided, particularly the ACAR Essential Guide
- read the relevant parts of the 2018-19 ACAR Essential Guide thoroughly, and then refer back to the guidance on each question as you complete your application form.

5.4 What could affect my ability to make places operational in a timely manner?

Depending on what type of place your organisation is seeking, you will need to consider how and when the places will be made operational (should your application be successful). Applicants are encouraged to be mindful when estimating when places can become operational and provide realistic timeframes in their answers.

Factors that may influence how long it may take to make new aged care places operational include:

- identifying and securing land
- securing financing approval for any development
- building and development approvals from the relevant authorities
- consideration of zoning, heritage and environment factors
- potential building delays
- staff recruitment

For those applicants that demonstrate their ability to provide care immediately, allocations are made with immediate effect. However, it is not always possible for places to be made available for care recipients immediately, especially with providers new to aged care. In these instances, and should an applicant be successful, places will be allocated provisionally.

The provisional allocation period for making places operational is currently four years after the day on which the allocation is made, unless extended, in accordance with section 15-7 of the Act and will not be extended beyond six years from the date of allocation, unless there are exceptional circumstances justifying the granting of a further extension.

5.5 I am an established provider of aged care. Does the department consider my capacity, including past history, in making places operational?

An applicant's capacity to undertake the various elements of a service development or redevelopment are considered during the assessment process. In considering this, the department takes into account the financial information provided through the application process, the proposed timeframes stated in applications, how many other applications the applicant is likely to have approved and the number of other proposals approved in previous ACARs (and the applicant's progress in operationalising the associated places).

5.6 When assessing applications, does the department consider the number of places I have already been allocated?

The department is committed to reducing the number of long term un-operationalised places and supporting the delivery of care for older people within reasonable timeframes.

Recent changes to the Act have extended the provisional allocation period for residential care places from two years to four years. Providers are permitted to seek two twelve-month extensions only to this period before places are required to be operational. If after six years,

the places have not been made operational, further extensions can only be granted where exceptional circumstances justify the granting of a further extension can be demonstrated.

Should provisionally allocated residential care places not be operationalised within six years from the date of allocation, and no exceptional circumstances are demonstrated, the provisionally allocated residential care places will lapse. This approach ensures Approved Providers do not hold provisionally allocated places indefinitely, and gives more stringent timeframes within which providers are required to start providing care.

Similarly, the department will consider the number of Offline places and current occupancy levels of applicants in determining if any additional places will be allocated in the context of an ACAR.

5.6.1 Providers with multiple allotments of provisionally allocated places

Providers that have received multiple allotments of residential care places in recent ACARs are urged to consider their capacity to undertake all existing works prior to undertaking future business planning for any additional proposals in the next ACAR. Providers are required to report their progress in making places operational on an annual basis (for each service to which they hold an allocation of provisionally allocated places).

5.6.2 Providers with unused places

Similar to the consideration given to provisionally allocated places, the department will consider the number of unused or 'Offline' places (places that have not been the subject of a subsidy claim in the previous 12 months) held by the Approved Provider in determining if an additional allocation of places will be made through a future ACAR.

5.7 I am part of an Approved Provider group. Can this affect my application?

The department has identified a trend where established Approved Providers establish new Approved Provider entities as part of their ACAR applications. In some cases, Approved Providers created an Approved Provider entity in each state or territory in which they were seeking an allocation of places. Alternatively, some applicants are establishing a new Approved Provider entity for each new service where new aged care places were being sought.

This practice is permissible under the Act, however, there are a number of things an applicant should consider before applying for new aged care places in such a way, including:

- how the applicant will demonstrate financial capacity given the limited financial history of the new Approved Provider entity
- where the department identifies Approved Provider entities that are part of a larger group, it may consider all provisionally allocated and Offline places held by the larger group, including the past history with bringing those places online when considering each application.



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Chapter 6 - Special Needs and Key Issue service provision

6.1 What is a Special Needs Group?

For Special Needs Groups there can be barriers that reduce the capacity of individuals and/or communities to access aged care services and receive appropriate care. The provision of care for people from Special Needs Groups is one of the legislatively based assessment criteria and all applicants are required to address this criterion in their application(s) for places. The Special Needs Groups defined at Section 11-3 of the Act are:

- people from Aboriginal and Torres Strait Islander communities (ATSI)
- people from culturally and linguistically diverse backgrounds (CaLD)
- people who live in rural or remote areas (R-R)
- people who are financially or socially disadvantaged (FSD)
- veterans (VET)
- people who are homeless or at risk of becoming homeless (HOM)
- care leavers (CLV)
- parents separated from their children by forced adoption or removal (PSC)
- lesbian, gay, bisexual, transgender and intersex people (LGBTI).

It is expected that all Australian Government subsidised aged care providers will deliver care to people from the Special Needs Groups defined in the Act as part of their normal service delivery. Providers may focus or prioritise care to these groups through their ACAR applications, however, applicants are not required to do this.

6.1.1 Can I apply to provide care to people from Special Needs Groups as a priority?

ACAR applicants are required to specify any Special Needs Groups they intend to prioritise care services to. Applicants are required to demonstrate their understanding of the care needs of any people from the Special Needs Group(s), and their suitability to provide that care to those care recipients from the Special Needs Group. For each Special Needs Group identified, the most competitive responses should include:

- the availability of suitably trained staff to meet these particular needs
- how the applicant will assess care recipients to determine if they identify as a person from a Special Needs Group
- any existing links or relationships with key organisations (e.g. peak bodies)
- how the knowledge of family members, friends or carers will be used to assist in providing appropriate care
- an explanation of how they will provide care, having regard to the particular physical, social, spiritual and environmental care needs of individual care recipients, such as:
 - the unique concerns and care needs of the targeted Special Needs Group
 - details concerning the applicant's recruitment, retention and training policies (e.g. cultural awareness training, mental health and mental illness policies, anti-discrimination and anti-harassment policies)
 - the availability of suitably trained staff, including bilingual care staff
 - the availability of gender appropriate care workers and care staff.

6.1.2 Other factors to be considered

Matters that may be addressed in respect of the Special Needs Groups are outlined below. Please note, the list of matters outlined below is not considered exhaustive, or relevant to each Special Needs Group. If other relevant matters are to be, or have been, considered in the development of an applicant's proposal they should be included in your application for new aged care places.

6.1.3 Links with the relevant communities and services

Applicants are advised to consider how they will:

- establish and maintain links with the identified community
- establish and maintain links with local support groups and relevant communities and organisations (e.g. allied health professionals, mental health and counselling services, domestic violence and substance abuse services, financial and welfare services, disability support)
- provide assistance (e.g. transportation) to maintain contact with local community groups and organisations
- incorporate the importance of family/community involvement in activities and issues across the service
- facilitate the continuing involvement of significant members of their communities
- access to advocacy services.

6.1.4 Customs and traditions

Applicants are advised to consider how they will:

- ensure bereavement customs and commemoration of days/events of significance, (including cultural, spiritual and religious occasions) are observed
- provide assistance (e.g. transportation) to attend commemorations, events of significance and special events
- take into consideration special dietary needs and the provision, where necessary, of a culturally appropriate diet
- ensure gender-appropriate care (e.g. male nursing staff for male care recipients) can be accommodated as required.

6.1.5 Physical environment

Applicants are advised to consider:

- the physical location and layout of the facility having regard to different cultural practises, areas of worship etc.
- the establishment of community and/or memorial gardens.

6.1.6 Other matters

Applicants are advised to consider how they will make, or have made available:

- translated information for care recipient's, their family and carers
- the provision of interpreter services
- information provided in plain language which can be readily understood, or in an appropriate format for illiterate care recipients
- an agreement in the care recipients' primary language
- assistance with using the internet, letter writing, emails or making phone calls so care recipients can keep in touch with family and friends.

6.2 What is a Key Issue?

Nine groups of people have been identified under the Act as Special Needs Groups. Key Issues may affect all consumers of aged care, and are therefore not specified under the Act.

Key Issues may include, but are not limited to:

- the provision of care for people with dementia and/or challenging behaviours
- the provision of residential respite care.

Each of these Key Issues is also linked to one or more of the legislatively based assessment criteria, such as the ability of an Approved Provider to provide the appropriate level of care and benefits, and to provide diversity of choice for current and future care recipients.

It is expected that all Australian Government subsidised aged care providers will deliver care to people with a Key Issue (e.g. dementia) as part of their normal service delivery. Applicants are required to demonstrate their understanding of the care needs of any people from the Key Issue, and their suitability to provide that care, to those care recipients with a Key Issue.

6.2.1 Can I apply to provide care to people with a Key Issue as a priority?

ACAR applicants are required to specify any Key Issue they intend to prioritise care services to.

For each Key Issue identified, the most competitive responses should include:

- an explanation of how they will provide care, having regard to the particular physical, social, and environmental care needs of individual care recipients, such as:
 - the unique concerns and care needs of the targeted Key Issue
 - details concerning the applicant's recruitment, retention and training policies (e.g. specialised dementia training, mental health and mental illness training), as well as required qualifications and skills
 - the availability of suitably trained staff.

6.2.2 Other factors to be considered

Matters that may be addressed in respect of the Key Issues are outlined below. Please note, the list of matters outlined below is not considered exhaustive, or relevant to each Key Issue.

If other relevant matters are to be, or have been, considered in the development of an applicant's proposal they should be included in your application for new aged care places.

6.2.3 Links with the relevant communities and services

Applicants are advised to consider how they will:

- establish and maintain links with local support groups, relevant organisations and specialist health services (e.g. allied health professionals, mental health and counselling services, psycho-geriatricians, Dementia Behaviour Management Advisory Service, Severe Behaviour Response Team)
- provide assistance to consumers to access support services
- facilitate the continuing involvement of family members to enhance care delivery to the consumer
- incorporate the importance of family/community involvement in activities and issues across the service.

6.2.4 Physical environment

Applicants are advised to consider:

- the physical location and layout of the service having regard to different safety and security requirements
- how accommodation will be provided (e.g. separate dementia specific wing)
- the establishment of gardens and outdoor areas, including safe wandering areas
- strategies for safety of consumers, staff and visitors.

6.2.5 Other matters

Applicants are advised to consider how they will:

- prevent/minimise challenging behaviour, as well as minimise the escalation of challenging behaviour
- enable consumers to participate in meaningful and engaging activities
- assist consumers who have had difficulty with health and aged care services in the past.



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Chapter 7 - Assessing an application

7.1 How will my application for aged care places be assessed?

The allocation of all new aged care places are made by the department in accordance with the provisions of Section 14-1 ('Allocation of places') and Section 14-2 ('Competitive assessment of applications for allocations') of the Act. In accordance with these provisions, places are allocated to those applicants that can demonstrate they best meet the needs of the aged care community in a geographic location. The questions that applicants are asked to complete in the relevant application forms are designed to ensure applicants fully address each of the matters listed in Sections 14-1 and 14-2 of the Act.

In assessing your application the department:

- will consider the information provided in your application(s)
- will consider your application(s) in the light of the requirements of:
 - the Act
 - the *Aged Care Principles*
 - information detailed in the 2018-19 ACAR Essential Guide
 - the Short-Term Restorative Care Programme Manual
 - **Chapter 4** of the 2018-19 ACAR Essential Guide, Program Guidelines: Rural and Regional and Other Special Needs Building Fund
- may send your financial information for independent analysis
- may consider any other relevant information available to the department including, but not limited to:
 - information sourced through the prudential regulation process
 - information about an applicant's compliance history as a provider of aged care
 - information from the Aged Care Complaints Commissioner
 - information from the Australian Aged Care Quality Agency
 - information from organisations able to undertake independent financial analysis and credit/debt investigations
 - information provided to the department through other assessment processes. For example, any application to transfer or vary existing places.
 - information about the number and location of an applicant's Operational and Offline places, and any progress made towards operationalising places currently Provisionally Allocated to an applicant.

7.2 How will my past conduct as an Approved Provider be assessed?

As part of the assessment process, the department will take into account previous and current non-compliance (including, but not limited to, sanctions and notices of non-compliance) at any service operated by an Approved Provider. This includes during the ACAR opening and assessment periods.

Non-compliance will be considered in relation to any service operated by any related Approved Provider entity and/or where a service has common personnel with related or other Approved Provider entities.

The matters the department will consider in determining your past conduct record include, but are not limited to:

- the nature of any sanctions and/or non-compliance action
- when the sanction was imposed and/or non-compliance action taken
- the frequency of any sanctions/or non-compliance
- the timing and effectiveness of your response to the sanctions/or non-compliance

- the extent of the sanctions/or non-compliance action across other services operated by the Approved Provider, or services operated by related Approved Provider entities
- the current period of accreditation, particularly in respect of any service(s) in which places are sought
- any past history in meeting prescribed conditions of allocation (including proven performance in making places operational in a timely manner)
- any combination of these matters.

A poor record of past conduct as an Approved Provider may adversely impact upon the overall competitiveness of your application(s).

In addition, if your organisation has complex corporate structures, you will need to provide sufficient information to demonstrate that your inter-related entities have sufficient financial robustness and the ability to meet relevant legislative provisions.

7.3 Does the department consider letters of support?

No. Letters of support from your local Member of Parliament, Senator or any other Parliamentarian(s) are not considered as part of the ACAR decision making process.

7.4 After applications are assessed, who decides what applications will be allocated aged care places and/or a capital grant?

All ACAR decisions, including the allocation of places and capital grants, are made by the Secretary of the department.

The department makes decisions independently, based on the results of a competitive assessment process, as prescribed in the Act, Allocation Principles, Grant Principles and **Chapter 4** of the 2018-19 ACAR Essential Guide, Program Guidelines: Rural and Regional and Other Special Needs Building Fund.

The Minister for Aged Care, and Minister's Office (or any other Parliamentarian), does not have a role in the assessment or allocation process.



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2018-19 ACAR QUESTIONS AND ANSWERS

Chapter 8 - Other matters

8.1 What sort of advice or assistance can I obtain from the department to assist in completing my application form(s)?

The department cannot provide individual assistance in developing your application. However, officers may advise on matters of fact or technical issues related to the completion or submission of your application. Departmental officers will not comment on the content of your proposal or application until the feedback process is in place nor comment on the merits of particular applications or proposals.

The 2018-19 ACAR Essential Guide provides full information on applying for the ACAR, including instructions for answering each question in the application forms and is available on the [department's website](#).

Should you have any further queries, please email ACAR@health.gov.au.

8.2 What information is being sought at Question 5.4 in the Part B application form?

Question 5.4 specifically relates to operating revenue and expenses of the service to which the application relates.

In preparing a response to this question, it is up to applicants to determine whether any operating expenses are to be incurred prior to the service admitting residents, for example the employment and HR related expenses of staff and other administrative expenses.

8.3 If the service does not exist at the time the application is submitted, what information am I required to provide at Question 5.4 in the Part B application form?

As set out in the 2018-19 ACAR Essential Guide, residential care places are initially allocated for four years (with the possibility to extend the initial period for two twelve-month periods subject to approval by the Secretary). During this time, providers are required to operationalise the residential care places. Therefore, the department is seeking information about your financial status across this four year period.

Accordingly, it is expected that applicants, at a minimum, provide financial projections at Column G in Q 5.4, and then provide detail regarding these assumptions at Q 5.6. If a an applicant projects the operationalisation of a new service earlier, for example within 2 or 3 years from allocation, it is expected that projections be provided at the end of the relevant financial year.

8.4 What evidence do applicants need to provide at question 4.1b?

Applicants are required to attach evidence for any milestone they are claiming as completed.

Applicants can address how they are progressing against a key milestone that has not been achieved in their written response to the questions in the table at 4.1(b) regarding risk, namely: What risks have you identified in regard to this key milestone and How do you propose to mitigate against, and/or manage, this risk? In addition, applicants that have not achieved a key milestone may elect to provide evidence to demonstrate progress is being made. It is up to applicants to determine how best to convey this progress and what, if any, evidence is attached.

8.5 Is the achievement of environmental / heritage / native title approvals required at Question 4.1b?

Applicants are required to attach evidence for any milestone they are claiming as completed.

If environmental/heritage/native title approvals are captured as part of the Development Application approvals process, simply attaching the Development Application approval is sufficient.

8.6 Do I need to specify the achievement, and provide evidence, of approval of finance at Question 4.1b if funds are being sought internally?

Yes. While an applicant has the capacity to fund the development from internal sources, evidence of this decision/internally allocation of funding will add weight to an application.

If this is not available, applicants are able to demonstrate their financial capacity to fund the construction in Section 5 of the Part B application form.

8.7 Is my application for residential care places ineligible if my application for a capital grant is unsuccessful?

Under 7-3(b) of the Grant Principles, capital grants are only available to organisations that cannot afford to entirely fund the proposed capital works without a grant from the Australian Government. Where your organisation is part of a parent organisation, this includes that your parent organisation cannot fund all of the works, including via debt funding.

Therefore, the department employs independent financial analysts to determine whether each capital applicant:

(a) is unable to operationalise the places they are seeking without a capital grant, and therefore eligible for a grant

or

(b) is able to operationalise the places they are seeking without a capital grant, and is therefore not eligible for a grant.

In the case of (a), the application will be considered for a capital grant and any associated places. If all the places can only be operationalised with a grant, and the applicant is unsuccessful for a grant, the places application would not be competitive.

In the case of (b), the application would be ineligible for a grant but would be considered on its merits for the places sought.

However, the above is dependent on a wide range of other factors including the amount of applicant contribution proposed and the minimum and maximum places sought. Many applications do not fall clearly into either scenario (a) or (b) and will be considered on their relative merits.

It is important that applicants are aware of the above, before they decide to undertake the work required to submit a capital application.

8.8 Where can I specify ‘Other’ cash paid or received in the statement of cash flow, Question 2.6 in the Part A application form?

Applicants may specify ‘Other’ within their responses to Questions 2.7 and/or 2.8.

Please ensure there is a clear distinction in your response between ‘Other’ cash paid or received and the response to these questions.

The provision of this information at either Question 2.7 and 2.8 will not contribute to the word limit specified for these questions.