

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**Social Services Portfolio**  
**2014-15 Budget Estimates Hearings**

**Outcome Number: 3**

**Question No: 421**

**Topic: Residential and Flexible Care - Aged care Payroll Tax Supplement**

**Hansard Page: Written**

**Senator Polley** asked:

Please provide any modelling undertaken prior to the decision to cease the Aged care Payroll Tax Supplement?

**Answer:**

As reported in Budget Paper No. 2, the Government will achieve savings of \$652.7 million over four years by ceasing Payroll Tax Supplement payments to currently eligible residential aged care provider from 1 January 2015.

Modelling undertaken indicates that this measure will impact round 60 per cent of residential aged care providers. For-profit providers make up almost half of those providers that receive the supplement and receive 90 per cent of payroll tax supplement payments.