



Places to people: embedding choice in residential aged care

The Australian Government is making changes to residential care to give providers more control over their business decisions.

We are designing a new residential aged care system that assigns aged care places directly to older people. When the new Aged Care Act begins on 1 July 2025 the changes will mean that:

- people who need residential care will have more choice to enter into care with an approved residential aged care provider that best meets their needs
- people will receive simple information to make more informed decisions about their care
- aged care providers will have an incentive to provide high quality care and more innovative models of care
- aged care providers will be able to offer more services in more locations with less administration.

To prepare for this change, transitional arrangements are currently in place and the Aged Care Approvals Round (ACAR) arrangements have ceased.

Information for current providers of residential care

Existing providers of mainstream residential care services will no longer be required to apply for places or be limited by places allocated through an ACAR. This will enable them to make more independent business decisions about adjusting and expanding their service offering to meet demand.

The government will have an oversight role as the market steward to ensure that the market operates effectively. A range of supporting measures will be in place to achieve this.

More information on [these measures](#) is available on the Department of Health and Aged Care website.

Using existing residential care places

Up until the commencement of the new Act, residential care providers can continue offering services as they do now. They can take on new clients and begin claiming subsidies, and can continue to operationalise any remaining provisional places.

Seeking additional places

Up until the commencement of the new Act, providers who can immediately provide care to more clients, but do not have enough places, can apply through a non-competitive process.

The [bed-ready application form](#) is available on our website. A provider must:

- be able to demonstrate it is bed-ready and how it will meet the needs of potential residents in its community
- have a satisfactory provider compliance record. This means they have no active sanctions or recent history of systemic non-compliance that is yet to be remedied.

There are no caps on the number of places a provider can apply for. There will be adequate supply of residential care places to support bed-ready applications nationwide until the start of the new system.

Transferring places to another approved provider

The process to transfer places between providers remains unchanged. Providers must issue a *Notice of Transfer of Aged Care Places to Another Provider* to the department no later than:

- 60 days before the proposed transfer date if the transfer receiver is an approved provider, or
- 90 days before the proposed transfer date if the transfer receiver is not an approved provider.

Read [information about transferring residential care places](#).

Removal of bed licenses

Consultation with the aged care sector indicated widespread support for the removal of bed licences. Many providers see it as an opportunity to improve choice, quality of care, innovation and accommodation offerings. The decision to end ACAR arrangements has been communicated widely and we do not expect this to impact the overall viability of the sector.

Removal of the ACAR may affect the value of bed licenses for providers who include licenses as intangible assets on their financial statements. Advice from the finance sector indicates banks and finance lenders place limited value on intangible assets (such as bed licenses) when assessing finance applications. Providers will need to manage this change with advice from their accountants and auditors.

The Australian Securities and Investments Commission (ASIC) provided advice to the department that providers should consider the amortisation period for bed licences or impairing them.

Closing residential aged care services

You can close your service if you choose to leave the sector however, Security of Tenure responsibilities under the Aged Care Act must be adhered to.

Approved providers must maintain care to residents until suitable and affordable alternative accommodation is found. Only then can a resident move to another service.

More information about [managing your residential care services](#) is available from our website.

Information for new providers of residential care

The allocation of places to people should not impact your plans for residential developments in the meantime. You can prepare for these changes by applying to become an approved provider of residential care.

The government funds approved providers to provide aged care services. Learn more about [becoming an approved provider](#) on the Aged Care Quality and Safety Commission website.

When can I start delivering care?

Until the changes come into effect in 2025, current legislative requirements will remain in place for new residents and providers:

- older people must have an assessment and be approved for residential aged care
- providers must be approved and have sufficient allocated places to admit a person into care.

On commencement of the new Aged Care Act:

- new residents will still need to undergo an assessment and be approved to access residential care services
- places will not go to providers and older people will not be limited to seeking services from providers with allocated places (except where the provider is delivering services under a specialist aged care program, such as the Multi-Purpose Service program)
- older people will be able to choose their preferred provider.

Support for new residential developments

If you are considering developing new residential homes, we recommend you undertake early planning to determine the best area for your care and accommodation offerings – see: [Home - AIHW Gen \(gen-agedcaredata.gov.au\)](https://www.gen-agedcaredata.gov.au).

Providers can also notify us of upcoming residential developments and seek confirmation that places will be available at the time the development is 'bed-ready'.

Providers can submit an [intention to develop](#) form with the following details:

- the proposed service
- number of residential places required
- anticipated timing of key development milestones.

The department will advise in writing that places will be available to support the development at the time it is 'bed-ready'.

Stay up to date

Visit our website for more information and updates on [Places to people – Embedding choice in residential aged care](#).

There are also plenty of opportunities for you to have your say about the changes to aged care:

- Sign up to receive *Your Aged Care Update*, our weekly newsletter for aged care providers: health.gov.au/aged-care-newsletter-subscribe.
- Visit the Aged Care Engagement Hub to find out about the latest consultation opportunities and outcomes: AgedCareEngagement.health.gov.au/get-involved.

Let's change aged care together

We invite Australians to continue to have their say about the aged care reforms.



Visit agedcareengagement.health.gov.au



Phone **1800 318 209** (Aged care reform free-call phone line)

For translating and interpreting services, call 131 450 and ask for 1800 318 209.

To use the National Relay Service, visit nrschat.nrscall.gov.au/nrs to choose your preferred access point on their website, or call the NRS Helpdesk on 1800 555 660.