



# Places to people – fact sheet for residential aged care providers

## What has changed?

Since 1 November 2025, residential aged care places are allocated directly to older people.

- people who need residential care have more choice to enter care with an approved residential aged care provider that best meets their needs
- providers have an incentive to provide high quality and more innovative models of care
- providers have the flexibility to offer more services in different locations

## Frequently Asked Questions

### What happens to my allocated places on 1 November 2025?

All residential care places allocated from the former Aged Care Approvals Rounds (ACAR), or through the bed-ready process ceased to exist from 1 November 2025.

Your approved total number of beds is managed by the Aged Care Quality and Safety Commission (the Commission). Under the *Aged Care Act 2024* (the Act), the Commission oversees changes to the approval of an residential care home, including the total number of beds. For more information about [changes to the number of available beds](#).

### How do I manage offline beds at my aged care home?

As a registered provider, under the *Aged Care Rules 2025* (see sections 167-5-70) must notify the Commission when beds in a residential care home are offline and not available for use:

- for services in MM1-5 regions for a period of 3 months or longer
- for services in MM 6 and 7 regions for any period of time.

You must keep an accurate record of the total bed numbers at each residential care home.

If you need to take beds offline at your residential care home, email the department's [Local Network office](#) in your state to complete the request in Government Provider Management System (GPMS) on your behalf and shared with the Commission to meet your requirements.

We will enhance the GPMS in early 2026 to allow you to self-manage your offline beds. We will provide further information about this functionality in advance.

Refer to our [provider tip sheet](#) for step-by-step guidance to report your offline beds.

## **How does the allocation of a place differ from an approval for residential care services?**

Residential care places were previously allocated to providers through the ACAR. Places are now allocated directly to older people. This gives them more choice and control over which residential care home delivers their services.

Providers will no longer be restricted by the number of places they have been allocated and will be able to respond to increased demand more easily.

## **Are there any changes for older people living in residential care before 1 November 2025?**

Older people living in residential aged care before 1 November 2025 are not affected by these changes. They were allocated a place automatically to ensure continuity of care.

## **Are there any changes for older people with an approval for residential aged care on 1 November 2025?**

Older people who have been assessed and approved for residential care before 1 November 2025 were automatically allocated a place and can enter care when they choose to.

## **How will residential care places be allocated in the My Aged Care Services and Support Portal?**

We have introduced new features in the [My Aged Care Services and Support Portal](#) to assign places to older people who have been assessed and approved for residential care services.

Those allocated a place receive a priority category visible in the portal for reporting purposes.

## **What is a priority category?**

Since 1 November 2025, the allocation of a place happens immediately after the person is approved for residential care.

Under the Act, there is **no** prioritisation process for a person to receive a residential care place and priority categories are assigned for reporting purposes only.

There are 3 residential care priority categories. A priority category helps decide how urgently someone needs residential aged care and is determined during their aged care assessment. :

## Residential Care Priority Categories

Category	Description
1	The person: <ul style="list-style-type: none"><li>• has a high urgency rating; or</li><li>• resides in a rural or remote area classified as <b>MM 5, MM 6 or MMM 7</b>; or</li><li>• is Aboriginal or Torres Strait Islander, homeless, or is entering residential care due to emergency circumstances.</li></ul>
2	The person does <b>not</b> meet the criteria for Priority Category 1 and has a <b>medium urgency rating</b> .
3	The person does not meet the criteria for Priority Category 1 and has a <b>low urgency rating</b> .

### Does the priority category affect whether that person gets allocated a place?

A priority category will not impact a person's ability to be allocated a place. All older people assessed and approved for residential care will be allocated a place immediately.

The place will not expire.

### Does the allocation of a place affect the subsidies paid to me as a provider?

There are no changes to the way providers receive subsidies. We have made changes to Services Australia's systems to align with the new place allocation process and continue to operate without disruption.

### How will older people know they have received a place?

When approved for residential aged care, an older person will receive a Notice of Approval letter with their approval for residential care and an allocated place.

### As a provider, I am in the process of a refurbishment, purchase, or development of an existing or new residential aged care home. How do I get approval for beds?

Under the new Act, all approvals for new or variations to existing residential care homes are managed by the Commission. You can find more information about [provider registration](#) and [changes to the number of available beds](#) on the Commission's website.

### With the removal of residential place allocations to providers and extra service status, are there any impact for providers charging Extra Service Fees?

New [Higher Everyday Living Fee \(HELF\) arrangements](#) have commenced under the new Act. This impacts providers offering residents extra services. No new extra service fee or additional service fee arrangements can be entered after 1 November 2025.

Existing [extra service fee and additional service fee arrangements](#) can continue until 31 October 2026 for older people who agreed to these fees before 1 November 2025.

Providers can increase fees in line with existing contracts. This does not require approval by the Independent Health and Aged Care Pricing Authority (IHACPA).

Providers should not unreasonably refuse a resident request to exit an extra service fee or additional service fee arrangement. Providers should discuss the changes to the service fee arrangements with affected residents before 1 November 2026.

The current Aged Care Rules regarding the [accommodation supplement](#) that apply to residents receiving extra services will continue to apply while extra service agreements remain in place.

For more information on the new HELF arrangements and the transition from previous fee arrangements, read the [Higher Everyday Living Fee fact sheet](#).

### **As a provider, do I still need to meet the aged care planning region ratio?**

No. The aged care planning region ratio was discontinued on 1 November 2025.

### **As a provider, do I still need to meet the 40% concessional resident ratio?**

Additional supplements to providers who deliver care to higher levels of supported residents are continuing. The [higher accommodation supplement rate](#) for providers with a supported resident ratio above 40% remains in place. Services Australia will continue to monitor and adjust payment rates for the higher accommodation supplement based on the monthly claims data and information on the [means assessment](#) of each resident in care.

The government has committed to an [Accommodation Pricing Review](#), which is due to report to the Australian Parliament by 1 July 2026. The review will consider the rate and design of the accommodation supplement, including the current incentive structure (whether a provider has at least 40% supported residents) to encourage providers to accept low means residents.

## **Stay up to date**

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



### **Getting started with aged care**

If you need help around the house or are thinking about aged care homes, contacting My Aged Care is the first step.

 Visit [myagedcare.gov.au](https://myagedcare.gov.au)  Phone **1800 200 422**

 Face-to-face by speaking with an Aged Care Specialist Officer (to book an appointment call **1800 227 475** or visit any Services Australia Service Centre).