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Australian Government

Department of Health, Disability and Ageing

Webinar | Financial reporting — Aged Care Financial Report 2025–26

Thursday 26 March 2026

Agenda

1. Overview

[Kate Stewart](#) – Director, Market Intelligence Branch

2. Support at Home program reporting

[Kate Stewart](#) – Director, Market Intelligence Branch

3. Care Minutes Performance Statement

[Aden Pulford](#) – Director, Residential Risk and Funding Operations Branch

4. Annual Prudential Compliance Statement

[Laura Todorovski](#) – Assistant Director, Aged Care Quality and Safety Commission

5. Residential pricing risk assessment program

[Madeleine Hurrell](#) – Assistant Director, Residential Risk and Funding Operations Branch

6. Further information and Q&A session

Overview

Kate Stewart

Market Intelligence Branch



Who needs to complete the Aged Care Financial Report 2025-26?

- Registered providers delivering **residential aged care** and/or the **Support at Home program** are required to submit an ACFR 2025-26
- Registered providers delivering the **Multi-Purpose Services Program** are only required to complete the Annual Prudential Compliance Statement in the ACFR 2025-26
- Providers who delivered the **Home Care Packages Program and/or Short-Term Restorative Care (STRC) Programme** up until 31 October 2025, are still required to report information in the ACFR 2025-26

Even though the *Aged Care Act 1997* and the new *Aged Care Act 2024* are both relevant legislation within the 2025-26 financial year, providers will be required to complete only one ACFR, for each Registered Provider

Submit your ACFR via the Forms Administration online portal

Reporting requirements in the ACFR 2025-26

Form Name	Data Collection Level	Residential Aged Care	Home Care Packages / Support at Home	MPS	STRC
Consolidated Segment Report*	Parent Entity or Registered Provider	YES	YES	NO	NO
Registered Provider Reporting (Income and expenditure, balance sheet, cash flow)*	Registered Provider	YES	YES	NO	NO
Movement Schedules*	Registered Provider	YES	NO	NO	NO
Residential Care Reporting (Income and expenditure, balance sheet, Care Minute Performance Statement)	Program level, Approved residential care home level	YES	NO	NO	NO
Home Care Packages / STRC / Support at Home	Program level	NO	YES refer to additional table	NO	YES refer to additional table
Annual Prudential Compliance Statement	Registered Provider	YES	NO	YES	NO
Financial Support Statement*	Parent Entity	YES	NO	NO	NO
Survey of Aged Care Homes (SACH)	Approved residential care home level	YES	NO	NO	NO
Residential Building Activity	Approved residential care home level	YES	NO	NO	NO
General Purpose Financial Statements*	Registered Provider	YES	NO	NO	NO

* *except Government providers*

Reporting requirements in the ACFR 2025-26 (continued)

- For providers who delivered services under the **Home Care Packages Program, STRC Programme** and/or the **Support at Home program** there will be three separate Income and Expenditure Statements in the ACFR 2025-26
- Income and expenses received or incurred should be attributed to the relevant program

		Pre-1 November 2025		Post-1 November 2025
Section Name	Data Collection Level	Home Care	STRC	Support at Home
Home Care Income and Expenditure Statement	Program Level	YES	NO	NO
STRC Income and Expenditure Statement	Program Level	NO	YES	NO
Support at Home Income and Expenditure Statement	Program Level	NO	NO	YES

What changes will be made to the ACFR 2025-26?

Changes for all providers

- Updated terminology and legislative references relating to the new *Aged Care Act 2024*, for example:
 - References to “Approved Provider” have been changed to “Registered Provider”
 - The Declaration File has been updated to align with changes under the new *Aged Care Act 2024*

Changes for Home Care / Support at Home providers only

- “Home Care Income and Expenditure” is to be reported at the program level instead of each Aged Care Planning Region
- **New “Support at Home Income and Expenditure Statement”**

Changes for residential aged care providers only

- **New “Care Minutes Performance Statement”**
- **New or amended items in the “Annual Prudential Compliance Statement”**
- Amended data items in the “Permitted Uses Reconciliation” and “Survey of Aged Care Homes”
- The removal of data items and references to bed licences and the renaming of “Available Bed Days” to “Operational Bed Days”
- New, removed or amended data items in the “Residential Aged Care Home Income” and “Residential Aged Care Home Expenditure” forms (refer to next slide)

What changes will be made to the ACFR 2025-26? (continued)

Changes for residential aged care providers only

“Residential Aged Care Home Income” form

- New “Contribution to Hotelling Supplement” (Hotel Services Income)
- New “Higher Everyday Living Fee” (Hotel Services Income)
- New question on “how many residents were paying Higher Everyday Living Fees/Additional Services Fees/Extra Service Fees as at the end of the financial year”
- New “RAD Retention Reduction” (Accommodation Income)

“Residential Aged Care Home Expenditure” form

- New “Staffing retention - travel costs” for non-agency and agency (Other direct care expenses)
- New expenses to be reported ‘below the line’ for:
 - “Higher Everyday Living/Additional Service/Extra Service – staffing costs (non-agency)”
 - “Higher Everyday Living/Additional Service/Extra Service - consumables and contracting”
- Labour cost definitions updated to clarify that the labour cost of the time direct care staff spend attending training can now be included in direct care labour cost reporting.
- Non-worked hours definition updated to clarify that:
 - only direct care worker employees (Registered Nurses, Enrolled Nurses, Personal Care Workers/Assistants in Nursing) are included
 - all paid leave hours (such as annual, long service or personal/carer’s leave) and paid training hours for employees are to be included
 - agency staff non-worked hours are to be excluded

Support at Home program reporting

Kate Stewart

Market Intelligence Branch



Support at Home Income and Expenditure Statement

- Income and expense reporting significantly re-designed and expanded to align with the Support at Home program services and short-term pathways
- The new format aligns with claiming and monthly statements

Key points:

- Covers the eight months from 1 November 2025 to 30 June 2026
- Income from “Commonwealth Subsidies and Supplements” and “Participant contributions” are to be reported separately under six service categories
- Care labour cost reporting focuses on the service being delivered, then the type of worker delivering the service
- Labour hours only need to be reported for employee care staff. You do not need to report labour hours for agency and sub-contracted or brokered client services
- Reporting is at the total program level. You do not need to report separately by Aged Care Planning Region

Support at Home income reporting

- Income is to be reported for the following six service categories and pathways:
 - Clinical Support Services
 - Independence Support Services
 - Everyday Living Services
 - Restorative Care Pathway
 - End of Life Pathway, and
 - Assistive Technology and Home Modifications Scheme
- “Commonwealth subsidies and supplements”** are to be reported separately for each of the six categories
- “Participant Contributions”** are to be reported separately for five of the categories, as there are no contributions for clinical support services
- “Care Management”** income is to be reported against three line items
- There is a separate line item for income from **“Participant Top-Ups and private clients”**
- Grants such as the Support at Home Thin Markets (rural, remote and specialised) are to be reported as **Other Income**

Income
Clinical Support Services
- Commonwealth Subsidies and Supplements
Independence Services
- Commonwealth Subsidies and Supplements
- Participant Contributions
Everyday Living Services
- Commonwealth Subsidies and Supplements
- Participant Contributions
Care Management - Clinical, Independence & Everyday Living Services
Restorative Care Pathway
- Commonwealth Subsidies and Supplements
- Participant Contributions
- Care Management
End of Life Pathway
- Commonwealth Subsidies and Supplements
- Participant Contributions
- Care Management
Assistive Technology & Home Modification Scheme
- Commonwealth Subsidies and Supplements
- Participant Contributions
- Provider Administration and Co-ordination
Participant Top-Ups and Private Clients
Other Income
Total Income:

Support at Home care expense reporting

- Expanded expense categories to align with the Support at Home program services and pathways.
- Majority of line items relate to labour costs, however there are also non-labour items e.g. consumables
- Labour costs are to be separately reported for:
 - employee care staff
 - agency staff
 - sub-contracted and brokered client services
- Labour costs can include:
 - staff travel to and from a participant's residence
 - staff time completing administrative tasks/paperwork before and after a participant visit.
- Labour costs do not need to include superannuation or other employee on-costs, which can be reported separately under line items in "Administration & Support Expenses"
- Care management costs are to be reported separately for:
 - Care management - restorative care pathway
 - Care management - end of life pathway
 - Care management (excluding restorative care pathway and end of life pathway)
- Separate expense item under "Other care expenses" for "participant top-ups and private clients" expenses

Support at Home labour cost reporting QFR vs ACFR

How to report in QFR from Quarter 2 2025-26

Whilst the previous home care reporting worker type line items remain, you need to refer to the updated definitions which outline which Support at Home service item is to be reported in each line item

Line item	Service to be reported
Registered nurse	<ul style="list-style-type: none"> ○ Assessing, treating and monitoring clinical conditions ○ Administration of medications ○ Wound care, continence management (clinical) and management of skin integrity ○ Education ○ Specialist service linkage
Enrolled nurse	<ul style="list-style-type: none"> ○ Assessing, treating and monitoring clinical conditions ○ Administration of medications ○ Wound care, continence management (clinical) and management of skin integrity ○ Education ○ Specialist service linkage
Personal care worker	<ul style="list-style-type: none"> ○ Assistance with selfcare and activities of daily living ○ Assistance with the self-administration of medication ○ Continence management (non-clinical)
Allied health	<ul style="list-style-type: none"> ○ Aboriginal and Torres Strait Islander health practitioner ○ Aboriginal and Torres Strait Islander health worker ○ Allied health therapy assistant ○ Counsellor or psychotherapist ○ Dietitian or nutritionist ○ Exercise physiologist ○ Music therapist ○ Occupational therapist ○ Physiotherapist ○ Podiatrist ○ Psychologist ○ Social worker ○ Speech pathologist
Other staff (in a direct care role)	<ul style="list-style-type: none"> ○ Nursing assistant ○ Acupuncturist ○ Chiropractor ○ Diversional therapist ○ Remedial masseuse ○ Art therapist ○ Osteopath ○ Social support and community engagement ○ Respite ○ Transport ○ Assistive technology and home modifications ○ Home maintenance and repairs ○ Domestic assistance ○ Meals ○ Nutrition

How to report in ACFR 2025-26

Labour cost reporting is categorised by the service delivered, then the type of worker delivering the service

Line item	Service to be reported
Clinical Support Services	<ul style="list-style-type: none"> ○ Nursing Care <ul style="list-style-type: none"> ▪ Registered Nurse ▪ Enrolled Nurse ▪ Nursing assistants
	<ul style="list-style-type: none"> ○ Allied Health <ul style="list-style-type: none"> ▪ Physiotherapist ▪ Occupational Therapist ▪ Speech Pathologist ▪ Podiatrist ▪ Dietetic Care ▪ Other allied health
	<ul style="list-style-type: none"> ○ Nutrition
Independence Services	<ul style="list-style-type: none"> ○ Personal Care ○ Social Support and Community Engagement ○ Therapeutic Services for Independent Living ○ Respite ○ Transport
Everyday Living Services	<ul style="list-style-type: none"> ○ Domestic Assistance ○ Home Maintenance and Repairs ○ Meal Delivery ○ Meal Preparation
Restorative Care Pathway	
End of Life Pathway Services	
Assistive Technology & Home Modification Scheme	
Care Management (excluding Restorative Care & End of Life Pathways)	13

Support at Home administration & support expense reporting

- The administration and support expense line items are similar to previous home care reporting.
- There are two new line items for “Superannuation and employee on-costs”

Administration & Support
Labour Costs - Administration & Non-Care Staff
Superannuation & Employee On-Costs - Administration & Non-Care Staff
Superannuation & Employee On-Costs - Care Staff
Workers Compensation insurance (all Support at Home Staff)
Payroll Tax (all Support at Home Staff)
Motor Vehicle Expenses (excluding Participant Transport Service expenses)
Depreciation Expenses
Interest Expenses
Education/Training & Quality Control Expense
General Insurances
Rent, Utilities and Property Outgoings
IT and Communication Expenses
Bad Debt Expense
Corporate Recharge
Other Expenses

Support at Home labour worked hours reporting

- Labour worked hours reporting includes:
 - Direct care
 - Care management
 - Administration and support
 - Non-worked hours
- Direct care labour worked hours only need to be reported for **employee care staff** and are reported against the **service** being provided. e.g. clinical care, personal care, social support and community engagement, domestic assistance etc. You do not have to report direct care labour worked hours for agency staff or sub-contracted and brokered client services.
- **Care management** labour worked hours are reported separately for clinical and non-clinical staff.
- **Non-worked hours** reporting is for employee direct care staff only - RN, EN, PCW and other employee staff employed in a direct care role. Non-worked hours includes all staff paid leave and paid training hours.
- Note that labour worked hours are only reported in the ACFR. They are no longer reported in the QFR.

Support at Home allied health reporting

- **Allied health labour costs and worked hours** are to be reported against the following six categories:
 - Physiotherapist
 - Occupational therapist
 - Speech pathologist
 - Podiatrist
 - Dietetic care, and
 - Other allied health.
- Labour costs are required to be further sub-categorised by whether the allied health worker is an employee, agency or sub-contracted / brokered
- Worked hours are only required for employees

Allied Health

Labour Costs - Internal Direct Care - Employee Care Staff
Physiotherapist
Occupational therapist
Speech pathologist
Podiatrist
Dietetic care
Other allied health
Labour Costs - Internal Direct Care - Agency Staff
Physiotherapist
Occupational therapist
Speech pathologist
Podiatrist
Dietetic care
Other allied health
Labour Costs - External Direct Care - Sub-contracted or Brokered Client Services
Physiotherapist
Occupational therapist
Speech pathologist
Podiatrist
Dietetic care
Other allied health

Allied Health

Labour Worked Hours - Internal Direct Care - Employee Care Staff
Physiotherapist
Occupational therapist
Speech pathologist
Podiatrist
Dietetic care
Other allied health

Care Minutes Performance Statement

Aden Pulford

Residential Risk and Funding Operations Branch



Introducing the Care Minutes Performance Statement



The Care Minutes Performance Statement has been introduced to protect the integrity of reporting against the Care Minutes and 24/7 Registered Nurse Obligations.

This will in turn protect the Care Minutes Supplement, and the 24/7 RN Supplement.



A Care Minutes Performance Statement must be completed and audited by an external auditor annually



The audited Care Minutes Performance Statement and the Aged Care Financial Report (ACFR) is due by 31 October 2026

New Care Minutes Performance Statement

All registered aged care providers will be required to submit a **Care Minutes Performance Statement** annually

MM1 providers' payments will be **updated** based on their **Care Minutes Performance Statement**

The first **Care Minutes Performance Statement** will only cover Q3 and Q4 of 2025-26.

The **Quarterly Financial Reports** will be reconciled against the **Care Minutes Performance Statement**

Care Minute Responsibility

Care Minute Responsibility			
Labour Costs - Direct Care			
Q3 (1 January 2026 - 31 March 2026)			
Registered Nurse	\$0.00	\$0.00	\$0.00
Enrolled Nurse	\$0.00	\$0.00	\$0.00
Personal Care Worker/Assistant in Nursing	\$0.00	\$0.00	\$0.00
Labour Worked Hours - Direct Care			
Q3 (1 January 2026 - 31 March 2026)			
Registered Nurse	-	-	-
Enrolled Nurse	-	-	-
Personal Care Worker/Assistant in Nursing	-	-	-

24/7 RN Responsibility

24/7 RN Responsibility			
Monthly Registered Nurse Coverage Percentage			
November	0.00%	0.00%	0.00%
December	0.00%	0.00%	0.00%
January	0.00%	0.00%	0.00%
February	0.00%	0.00%	0.00%
March	0.00%	0.00%	0.00%
April	0.00%	0.00%	0.00%
May	0.00%	0.00%	0.00%
June	0.00%	0.00%	0.00%

Bed Days

Bed Days			
Q3 (1 January 2026 - 31 March 2026)			
Occupied bed days	-	-	-
Q4 (1 April 2026 - 30 June 2026)			
Occupied bed days	-	-	-

Direct Care Minutes (worked) Per Occupied Bed Day - Quarterly

Direct Care Minutes (worked) Per Occupied Bed Day - Quarterly			
Q3 (1 January 2026 - 31 March 2026)			
Registered nurses care minutes per occupied bed day	0	0	0
Enrolled nurses (registered with the NMBA) care minutes per occupied bed day	0	0	0
Personal care workers / Assistants In Nursing care minutes per occupied bed day	0	0	0
Total Direct Care Minutes (worked) of Registered nurses, Enrolled nurses (registered with the NMBA) and Personal care workers / Assistants In Nursing per occupied bed day	0	0	0

Engaging with the audit process



What is required?

Residential aged care providers are required to **engage an external auditor** to provide a reasonable assurance opinion, directed to the department, that their **Care Minutes Performance Statement reflects the actual care minutes delivered.**



Audit expectation

The external auditor must perform the audit under the **assurance standard ASAE 3000.**



What is the ASAE 3000?

The ASAE 3000 standards are issued by the Auditing and Assurance Standards Board. This standard relates to **Assurance Engagements Other than Audits or Reviews of Historical Financial Information.** It is separate to the audit that is already completed for the annual financial statement.

Resources

Care Minutes Performance Statement – guidance for providers

We are updating the way we fund and monitor care minutes in residential aged care. These changes aim to strengthen the link between funding and the actual delivery of care, ensuring greater accountability and improved outcomes for residents.

This guidance outlines what's changing, when the new audit requirements take effect and how you can prepare.

Upcoming changes to care minutes requirements

On 1 October 2024, the Minister for Aged Care wrote to residential aged care providers identifying that performance against the care minute responsibility was below expectations. Analysis undertaken by the Department of Health, Disability and Ageing (the department) indicated that compliance with care minute requirements was lower than expected. In the open letter, the Minister noted they had requested the department identify ways to improve care time minute compliance.

What's changing?

Care funding will be linked to the delivery of care minutes for non-specialist residential aged care services in metropolitan areas (MRA). To make sure providers are meeting care minute targets and to ensure funding is used for its intended purpose, impacted services not meeting their targets will see their care funding reduce from April 2025. The amount will depend on the services' care minute performance from the October – December quarter of 2025 onwards. This will not impact providers who offer specialised homeless services and services located in regional, rural, or remote areas (RRM 2-7). Learn about [changes coming to care minutes funding](https://www.health.gov.au/aged-care/funding).

To make sure providers are paid the right amount, all residential aged care providers will be required to complete a Care Minutes Performance Statement (Performance Statement) to submit as part of their Aged Care Financial Report (ACFR). This requirement will commence from the 2025-26 reporting year. The Performance Statement includes care time and associated expenses reporting. All providers will be required to obtain an external audit opinion over this Performance Statement, under [Audits or Reviews of Historical Financial Information](https://www.audit.gov.au/au/en/reviews-of-financial-information).

Audit requirements for care minutes reporting in residential aged care.

Guidance for providers

Care Minutes Performance Statement 2025-26

Care Minute Responsibility	Approved Residential Care Home	Approved Residential Care Home	Approved Residential Care Home
Labour Costs - Direct Care			
Q3 1 January 2025 - 31 March 2025			
Registered Nurse	\$0.00	\$0.00	\$0.00
Enrolled Nurse	\$0.00	\$0.00	\$0.00
Personal Care Worker/Assistant in Nursing	\$0.00	\$0.00	\$0.00
Q4 1 April 2025 - 30 June 2025			
Registered Nurse	\$0.00	\$0.00	\$0.00
Enrolled Nurse	\$0.00	\$0.00	\$0.00
Personal Care Worker/Assistant in Nursing	\$0.00	\$0.00	\$0.00
If there is any variance between the direct care labour costs data reported in this Care Minutes Performance Statement and the data previously reported in your Quarterly Financial Report, please provide an explanation. Please ensure your explanation includes the following information for each instance where a variation was identified: Name & ID of the affected service Financial Quarter Employee Type Amount of Variance Reason for why variance occurred			
Labour Worked Hours - Direct Care			
Q3 1 January 2025 - 31 March 2025			
Registered Nurse	-	-	-
Enrolled Nurse	-	-	-
Personal Care Worker/Assistant in Nursing	-	-	-
Q4 1 April 2025 - 30 June 2025			
Registered Nurse	-	-	-
Enrolled Nurse	-	-	-
Personal Care Worker/Assistant in Nursing	-	-	-
If there is any variance between the direct care labour worked hours data reported in this Care Minutes Performance Statement and the data previously reported in your Quarterly Financial Report, please provide an explanation. Please ensure your explanation includes the following information for each instance where a variation was identified: Name & ID of the affected service Financial Quarter Employee Type Amount of Variance Reason for why variance occurred			

Care Minutes Performance Statement template

Audit requirements for Care Minutes Performance Statement
Guidance for Auditors

February 2024

Guidance for auditors

Unmodified Opinion Template

<Insert registered auditor letterhead>

To the System Governor

Independent Auditor's Report on [Registered Provider Name]'s Care Minutes Performance Statement

Audit opinion

We have audited Care Minutes Performance Statement (the 'Performance Statement') of [Registered Provider Name] ('the Provider') for the year ended [insert year end].

In our opinion, the Provider's Performance Statement for the year ended [insert year end] is prepared, in all material respects, in accordance with the reporting requirements of paragraph 166.130(5) of the Aged Care Rules 2025 ('the Rules').

Basis for Opinion

We conducted our reasonable assurance engagement in accordance with Standard on Assurance Engagements (SAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (KPMG 3007) issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Management

We have complied with the independence and other relevant ethical requirements relating to assurance engagements in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board Limited.

The firm applies Australian Auditing Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagement, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Care Minutes Performance Statement - Unmodified Opinion
1

Audit report templates



Scan the QR code to access our resources



For questions on the statement contact:
ACFRQFRQueries@Health.gov.au

Annual Prudential Compliance Statement

Laura Todorovski

Aged Care Quality and Safety Commission



Annual Prudential Compliance Statement (APCS)

- What is the APCS?
- Which providers have to submit an APCS?
- The role of the Aged Care Quality and Safety Commission
- 25/26 reporting period – the 'hybrid' year
- Resources available





What is the APCS?

- The Annual Prudential Compliance Statement (APCS) collects information relating to a provider's compliance with its financial and prudential obligations
- The APCS contains questions about the number and value of the refundable deposits, accommodation bonds and entry contributions held by a provider at the end of its reporting period, the way these funds were managed and expended and whether refunds were paid on time
- It is submitted as part of the broader Aged Care Financial Report due annually, within four months after the end of the provider's reporting period. For most providers this is 31 October.



Which providers have to submit an APCS?

Under the Aged Care Act 2024 and Aged Care Rules 2025, only Category 6 residential care providers are required to submit an APCS where they hold refundable deposits, accommodation bonds or entry contributions.

Registered providers in Categories 1 to 5 are not required to submit an APCS as they do not hold refundable amounts.



The role of the Aged Care Quality and Safety Commission

The role of the Aged Care Quality and Safety Commission (the Commission) is to review and assess APCS responses, determine compliance, provide education and where non-compliance is identified, ensure appropriate remediation and regulatory follow-up.

- Providers may be asked to substantiate their claims
- Information from the APCS may inform other activities like Prudential and Targeted Reviews
- Providers may be required to take corrective action where non-compliance is observed
- Outcomes contribute to the Commission's ongoing risk monitoring and regulatory engagement.



What changes will be made to the APCS 2025-26?

- APCS reporting spans two legislative frameworks

Reporting requirements
under the *Aged Care Act 1997*

1 July 2025 – 31 October 2025

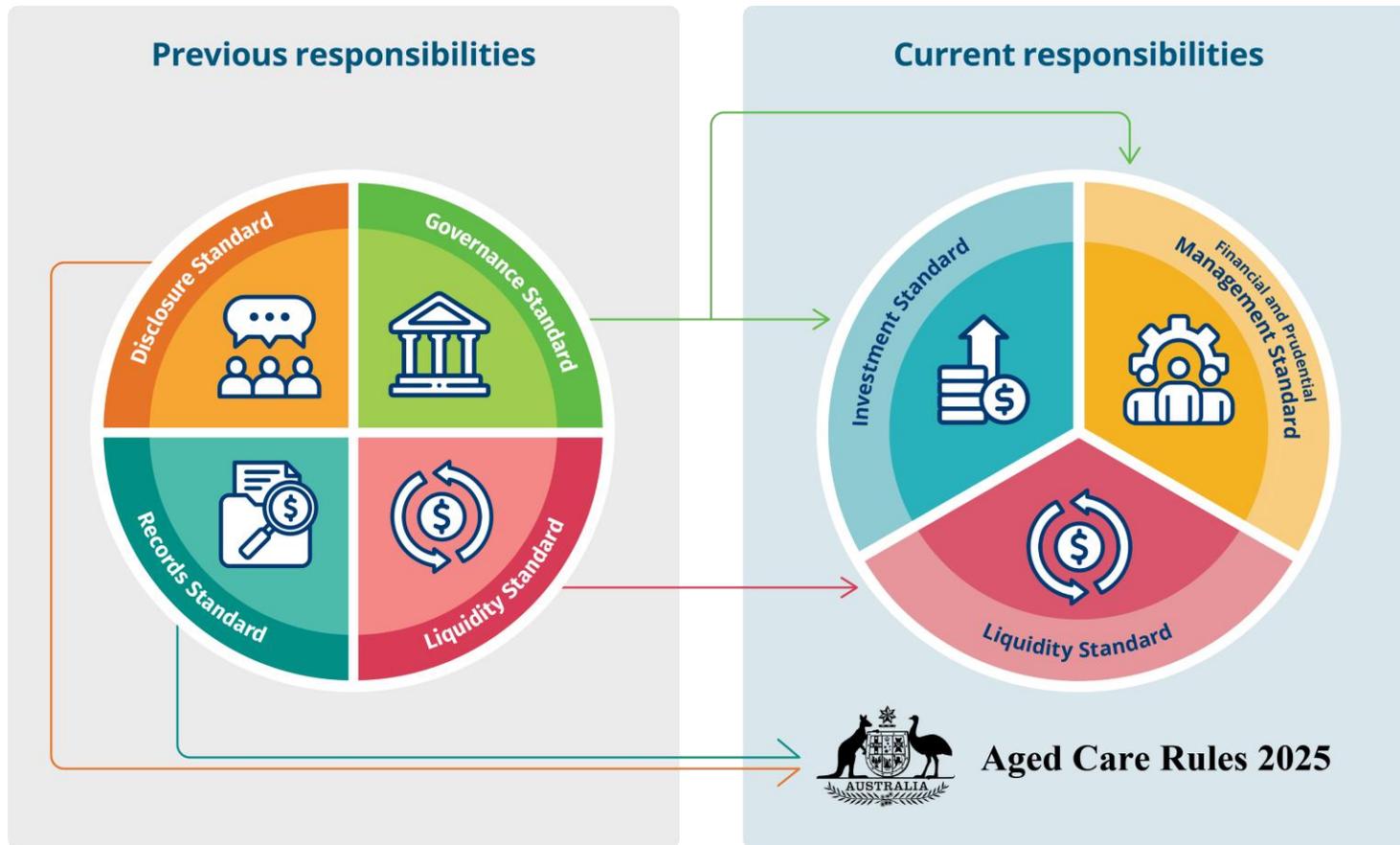
**1
Nov
25**

Reporting requirements
under the *Aged Care Act 2024*

1 November 2025 – 30 June 2026



What changes will be made to the APCS 2025-26?



Prudential Standards, set out in the *Fees and Payments Principles 2024 (No.2)*

Aged Care Financial and Prudential Standards 2025, Aged Care Rules 2025



New questions to look out for in the APCS

Questions relating to the new Financial and Prudential Standards:

- *Liquidity Standard* – has the same name under both legislative frameworks but the requirements are different
- *Investment Standard* – now applies to all providers, even those not investing
- *Financial and Prudential Management Standard* – is an overarching principle ensuring organisations are financially sound and viable to ensure the delivery of quality care.



Australian Government
Aged Care Quality and Safety Commission



The new Financial and Prudential Standards

The Financial and Prudential Standards set out the minimum requirements for good financial and prudential management of registered aged care providers.



Financial and Prudential Management Standard

Applies to providers in categories 4, 5 and 6 (excluding government entities and local government authorities). Providers must have governance systems and strategies in place so they can manage their finances responsibly and make decisions that support the safety, health, wellbeing and quality of life of the people they care for.

Providers must

- ✓ Have a financial and prudential management system to keep the organisation financially stable.
- ✓ Set out each role's financial and prudential accountabilities and maintain oversight of any delegations or outsourcing.
- ✓ Monitor how the organisation is performing financially and how financially stable it is.
- ✓ Detect, record and respond to any failure to comply with the system or this Standard.



Liquidity Standard

Applies to providers in category 6 that are providing funded aged care services in an approved residential care home (excluding government entities, local government authorities and National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFAC) providers). It applies even if you don't hold refundable deposits.

Providers must always have their minimum liquidity amount (MLA) available. This makes sure they have enough liquid assets to meet financial obligations, refund deposits on time and manage risk.

Providers must

- ✓ Calculate both the default and evaluated MLA each quarter and elect which one the organisation will rely on to comply with the Liquidity Standard.
- ✓ Develop and maintain a written liquidity management strategy (LMS) that supports this decision and helps manage liquidity risks.
- ✓ Notify the Commission if you have elected to comply using an evaluated MLA. This option gives providers an opportunity to show they manage financial risk effectively in other ways.



Investment Standard

Applies to providers in category 6 that are providing funded aged care services in an approved residential care home (excluding government entities, local government authorities and NATSIFAC providers). It applies even if you don't hold refundable deposits.

Providers must manage investments responsibly, to protect refundable deposits and maintain financial stability.

Providers must

- ✓ Have a written Investment Management Strategy (IMS) that includes their investment objectives and makes sure they refund refundable deposit balances on time.
- ✓ Set out each role's accountabilities and responsibilities for the IMS, and maintain oversight of any delegations or outsourcing.
- ✓ Make sure how they invest refundable deposits is in line with their IMS.
- ✓ Review and improve how effective the IMS is.

What do we mean by minimum liquidity amount?

Under the Liquidity Standard, providers must calculate and hold a minimum liquidity amount (MLA) each quarter.

Providers must calculate both a default and evaluated MLA:

Default MLA

Calculated using the formula in the Liquidity Standard:
35% of cash expenses at the end of the last quarter (all providers)
+ 10% of residential refundable deposit liabilities at the end of the last quarter (providers with refundable deposits) + **2%** of refundable retirement village entry contribution amounts (providers with retirement and independent living unit deposits).

Evaluated MLA

Calculated by the provider, based on the organisation's:

- financial risks and obligations
- cash flow needs
- approach to managing liquidity.

You can comply using an evaluated MLA if you can show the amount:

- provides sufficient liquidity for your organisation to meet its financial and refunding obligations
- enables you to withstand unexpected financial changes
- supports you to continue delivering safe, high quality care.

You can use the [Commission's calculator](#) to work out your default MLA. Scan the QR code.



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New questions to look out for in the APCS

- *Compliance with rules around charging accommodation payments and contributions*
- Questions specifically relating to action taken when overcharging has been identified
- Record keeping and being able to demonstrate day-to-day operational activities relating to charging and refunding is key.

Resources available

Resources available now

- 2025-26 APCS guidelines

[Aged Care Financial Report resources | Australian Government Department of Health, Disability and Ageing](#)

- Fact sheets relating to the new *Financial and Prudential Management Standards* – they include checklists, tips for demonstrating compliance and information about best practice

[Financial & Prudential Standards | Aged Care Quality and Safety Commission](#)

Resources coming soon

- Audit guidelines – **coming soon**
- Audit opinion templates – **coming soon**

For all other APCS related enquiries please contact the Prudential Supervision team via prudential@agedcarequality.gov



Residential pricing risk assessment program

Madeleine Hurrell

Residential Risk and Funding Operations Branch



Introducing the Pricing Risk Assessment Program

What is it?

- From Quarter 4 (April to June 2026), we will start ongoing pricing risk assessments to examine the impact of misreporting on residential aged care pricing and policy.
- The department will examine a sample of providers' reporting, to measure the impact of errors or different reporting practices on the reported cost of delivering care.

Why are we doing it?

- Residential aged care funding is based on the Independent Health and Aged Care Pricing Authority's (IHACPA) pricing advice
- Inaccurate or inconsistent reporting can impact the pricing advice, leading to inaccurate funding

How the Pricing Risk Assessment Program Works

Select a Sample of Services

- Sample of residential care homes annually
- ACFR line items

Gather Information

- Perform a walkthrough
- Request further information

Review Calculation Basis

- Review the assumptions made to allocate costs
- Review the measurement bases applied

Informing Pricing and Policy

- Provide outputs to IHACPA, to support pricing and inform funding policy decision-making

Resources

Australian Government
Department of Health, Disability and Ageing

Home Topics Our work Resources

Home > Our work > Residential aged care > Funding for residential aged care

Pricing risk assessments for residential aged care

Pricing risk assessments will help us understand common errors in financial reporting in residential aged care to improve the accuracy of pricing and policy decisions.

Pricing Risk Assessments webpage

What are we checking?
We will sample residential care homes from different market segments and focus on key items include:

where possible, so that everyone can benefit.

You will receive a notice with clear instructions about the process and a timeline to respond.

We will provide a tailored documentation list based on your reporting processes. You will then submit all relevant records (e.g. payroll, rosters, etc.).

We will work with you to understand how specific cost items have been reported in your ACFR.

We will review the provided documents and reach out where additional information is needed.

We will notify you once the process is complete and provide any relevant feedback.

Pricing risk assessments for residential aged care

We are introducing pricing risk assessments to measure the impact of misreporting on residential aged care pricing. By sampling providers to check their Aged Care Financial Report (ACFR), we can make sure pricing reflects the underlying cost of delivering residential aged care.

What are pricing risk assessments?
Commencing Quarter 4 (April to June 2026), pricing risk assessments are a sector-wide process to measure the impact of misreporting on the data used for residential aged care pricing. This will make sure pricing decisions reflect the actual cost of delivering care. The department will review the reporting of a sample of providers to identify misstatement. This will allow us to measure the average impact of misstatement on reporting from different market segments and ensure pricing decisions are not impacted by misreporting. These assessments are not a compliance activity. The goal is to understand the costs of delivering residential aged care, so we can fund you accurately and sustainably.

Why is this important?
The pricing risk assessments will help:

- measure common reporting errors in the ACFR
- develop more accurate pricing and funding policy
- ensure providers are funded to meet the real cost of delivering residential aged care.

Get accurate ACFR reporting using your established or the existing ACFR reporting requirements. For cost documentation up to date and well organised so its. If selected, your participation is mandatory. Support you throughout the process to ensure it is as responding to our request early, we can answer your bid in this process.

pricing risk assessments. as at PricingRisk@health.gov.au

Pricing Risk Assessments factsheet



Scan the QR code to access our webpage and resources



For questions and feedback on the program contact:
PricingRisk@Health.gov.au

Further information and available support

Anna Morison

Acting Assistant Secretary

Market Intelligence Branch



Financial Reporting Help Desks for Aged Care Providers

Aged Care Financial Report

Resources regarding the ACFR are available on the department's website to support providers with their submissions.



Quarterly Financial Report

Resources regarding the QFR are available on the department's website to support providers with their submissions.



Completing ACFR & QFR	Forms Administration Help Desk	<ul style="list-style-type: none"> • Submission related questions • Re-opening the portal for resubmissions • General reporting queries 	health@formsadministration.com.au (02) 4403 0640
Specific financial reporting data	Financial Reporting Operations Team Help Desk	<ul style="list-style-type: none"> • Submission related questions • Support at Home financial reporting questions • Changes to reporting from 1 November 2025 	ACFRQFRQueries@Health.gov.au
Residential direct care reporting and data quality checks	Residential Care QFR & ACFR Help Desk	<ul style="list-style-type: none"> • Residential Labour Costs & Hours reporting questions • Care Minutes reporting questions • Residential Labour Costs and Hours data quality checks 	QFRACFRHelp@health.gov.au
Annual Prudential Compliance Statement reporting	Aged Care Quality and Safety Commission-Prudential Supervision	<ul style="list-style-type: none"> • Annual Prudential Compliance Statement related questions • Understanding your obligations when overcharging is identified • Changes to reporting 1 November 2025 	prudential@agedcarequality.gov.au
Care Minutes Performance Statement reporting	Residential Risk & Funding Policy Team	<ul style="list-style-type: none"> • Understanding your reporting obligations • How this reporting will affect your Care Minutes funding 	ACFRQFRQueries@health.gov.au
Technical IT questions about GPMS, or the QFR application	My Aged Care Service Provider Assessor Helpline	<ul style="list-style-type: none"> • Assigning user access • Logging into GPMS • Accessing the QFR application in GPMS 	1800 836 799

Business advice and capability support

Business and Workforce Advisory Service (BWAS)

- Registered aged care providers can apply for free, independent and confidential advice to improve their operations.
- Rapid, strategic, tailored and designed to help providers review their operations
- Provides advice on business management, financial strategies, workforce challenges, and aged care reform transition/implementation.

Service Development Assistance Panel (SDAP)

- SDAP provides free professional support to aged care service providers located in rural and remote (MM4-7) areas or who provide care to First Nations peoples.
- Panel members – qualified and experienced professionals – work with your service to improve the way you deliver and administer aged care to
- To address challenges including financial management, business planning, governance and reform transition/implementation

For further
information on BWAS



health.gov.au/bwas

For further
information on SDAP



health.gov.au/sdap

Questions





Thank you for attending
Please complete this short survey





Paula Jones



health.gov.au/aged-care-reforms



Phone **1800 200 422**
(My Aged Care's free call phone line)