



Places to people – FAQs for residential aged care providers

Residential aged care places are allocated directly to older people approved for government-funded residential aged care. This means:

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

Frequently asked questions

1. Changes to allocation of places

1.1. What happened to my residential services allocated places?

All residential places ceased to exist from 1 November 2025.

Registered providers' total number of beds are managed by the Aged Care Quality and Safety Commission (the Commission). The Commission oversees changes to the approval of a residential care home, including the total number of beds.

Learn more about [changes to the number of available beds](#) on the Commission's website.

1.2. How does the allocation of a place to a person differ from places allocated in the Aged Care Approval Rounds?

Residential care places were previously allocated to providers through the Aged Care Approvals Rounds (ACAR). As of 1 November 2025, places are allocated directly to older people. This gives them more choice and control over which residential care home delivers their services.

Additionally, registered providers are no longer restricted by the number of places they have been allocated. This makes it easier for providers to respond to increased demand.

1.3. Are there any changes for older people with an approval for residential care?

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

1.4. Does the allocation of a place to an older person 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.

1.5. 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.

2. Offline bed reporting and varying registration

2.1 What is an offline bed?

An operational bed is considered 'offline' when it is temporarily unavailable for use by an older person to enable them to live at your residential care home.

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

The [Aged Care Rules 2025](#) (sections 167-5-70) require registered providers to notify the Commission when beds in a residential care home are offline and not available for use in:

- a period of at least 3 months for homes in Modified Monash (MM) 1-5 regions
- any period of time for homes in MM 6 and 7 regions.

Providers are required to keep an accurate record of the total bed numbers at each of their residential care homes.

As of 23 March 2026, providers can report beds as offline or make beds operational through the [Government Provider Management System \(GPMS\) Registered Provider Portal](#).

Refer to our [guide for reporting offline beds](#) for step-by-step guidance for reporting in GPMS.

2.3 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?

All approvals for new or variations to existing residential care homes are managed by the Commission. Find more information about [provider registration](#) on the Commission's website.

3. Priority categories

3.1 How will residential care places be allocated to older people in the My Aged Care Service 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.

3.2 What is a priority category?

The allocation of a place happens immediately after an older person is approved for residential aged care.

While the *Aged Care Act 2024* allows for prioritisation of residential aged care, prioritisation is not enabled and priority categories are assigned for data collection purposes only.

A priority category will display in an older person's Notice of Decision Letter and is determined during their aged care assessment.

There are 3 priority categories:

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

3.3 Does the priority category affect whether a 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.

4. Other

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

Higher Everyday Living Fee (HELFF) arrangements commenced from 1 November 2025. This will impact providers that have been offering residents extra services. From 1 November 2025, no new Extra Service Fee or Additional Service Fee agreements can be entered into.

Existing Extra Service Fee and Additional Service Fee agreements can continue until 31 October 2026 for residents who agreed to these fees prior to 1 November 2025. Providers can increase fees in line with existing contracts. This will not require approval by the Independent Health and Aged Care Pricing Authority (IHACPA).

Providers should not unreasonably refuse a resident's 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 prior to 1 November 2026.

The current Rules regarding the accommodation supplement that apply to residents receiving extra services, will continue to apply while extra service agreements remain in place.

Learn more about [higher everyday living fees in residential care homes](#).

4.2 Do I still need to meet the aged care planning region ratio?

The aged care planning region ratio was discontinued on 1 November 2025.

4.3 Do I still need to meet the 40% supported resident ratio?

Additional supplements to providers who deliver care to higher levels of supported residents are continuing. The [Higher Accommodation Supplement](#) rate remains in place for providers of residential care homes that have been either significantly refurbished or newly built on or after 20 April 2012 with a supported resident ratio 40% or more. 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 person 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.

Learn more

Find more information and updates about [Places to people](#) on the department's website.

Helpful website and resources:

- [Places to people: Fact sheet for older people](#)
- [Guide to report offline beds in residential aged care](#)
- [How residential aged care providers can prepare for success in a competitive market](#)
- [Changes to the number of available beds - Aged Care Quality and Safety Commission](#).