



Discontinuation of the ACAR

What's next?

There will be no further Aged Care Approvals Round (ACAR) following the conclusion of the 2020 ACAR, marking the start of a transition period to a new system where places will be allocated directly to senior Australians. This factsheet summarises what this decision means for both places and grant funding traditionally allocated through the ACAR.

Residential care places

From **1 July 2024**, senior Australians will have residential care places allocated directly to them, providing more choice and control over which approved provider delivers their care.

This will strengthen the residential aged care market, with providers having greater incentives to develop high quality and innovative models of care and accommodation that best meet the preferences of senior Australians. Providers will continue receiving direct Government funding on their behalf.

Under these changes, new and existing providers will no longer need to apply for and be allocated places. This will give them greater freedom to adjust and expand service offerings and better meet demand.

Further information for providers and the general public is available on the Department of Health's website at www.health.gov.au (search 'Improving choice in residential aged care'). A consultation process will commence shortly to help guide the design and implementation of these changes.

For providers holding an allocation of places, what happens to them now?

In the transition period between now and July 2024, providers holding an allocation of residential care places, including, but not limited to newly allocated places from the 2020 ACAR, will be able to bring these places into effect and receive Government funding in respect of these places. Note, places can only take effect subject to approval by the Department.

With no ACAR, will there be a mechanism to receive additional places prior to 1 July 2024?

Providers will only require an allocation of residential care places if they are seeking to commence delivering care prior to 1 July 2024. From 1 July 2024 onwards, there will be no requirement for providers to hold residential care places. Places will instead be allocated to senior Australians.

There are two ways to seek an allocation of residential care places in the transition period between now and July 2024:

1. Providers can come to an arrangement with another provider to acquire places that are excess to their requirements and seek the Department's approval to transfer these places.
2. Alternatively, on completion of requisite building works, providers that can demonstrate they are in a position to provide care will be able to seek an allocation of places through a non-competitive process. More information on this process will be communicated in the coming months.

Short-Term Restorative Care places

Due to commence on **1 July 2023**, the Support at Home program will replace the existing Commonwealth Home Support Programme, Home Care Packages, Short-Term Restorative Care (STRC) program and residential respite programs.

Details on the structure of the new program are still being determined, however, consultation on critical design elements of this new program will be undertaken, including around more support for early interventions to help people remain independent at home for longer. In the meantime, STRC will continue to operate as normal until the new program commences.

Further information on the Support at Home program can be found on the Department's website by searching 'Home Care (Pillar 1 of the Royal Commission response)'.

The Department will be regularly communicating with all STRC providers, including new providers, throughout this process, to ensure a smooth transition to the new arrangements

Capital Grants

Capital funding will continue to be allocated directly to providers through grant processes outside of the ACAR.

The Government will continue to invest in aged care infrastructure for groups most in need, including First Nations people, people living in regional and remote areas and people who are homeless or at risk of homelessness. The 2021-22 Budget included \$396.9 million over five years for capital investment to enable aged care providers to make improvements to their buildings and build new services.

Note, this funding is expected to be used across a range of programs including mainstream residential care. Further details and relevant grant opportunity guidelines will be made available in the coming months.