

Guide to the **Cost Recovery Consultation Paper**

4 March 2025



Australian Government

Aged Care Quality and Safety Commission

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This guide answers frequently asked questions relating to our [Cost Recovery Consultation Paper](#) (Consultation Paper). **It should be read alongside the full Consultation Paper.**

The introduction of the new Aged Care Act on 1 July 2025 means changes for the regulatory activities we undertake, requiring new charging arrangements.

The Consultation Paper includes the proposed cost recovery arrangements for the assessment of applications to become a registered provider, renewal of registration and variations to registration, and for any audits related to the applications. A separate process – called deeming – will ensure current providers are transitioned to be a registered provider automatically when the new Aged Care Act starts.

We are seeking feedback on these proposed charging arrangements. Your feedback will be used to understand the impact of the proposed new fees and help shape advice to Government on the fees and waivers that will apply to Commission activity from 1 July 2025.

1. What is cost recovery?

Cost recovery involves government agencies charging non-government organisations some or all the costs of a specific government activity. This may include providing goods, services or regulation, or a combination of these. This approach is outlined and authorised in the Australian Government's overarching [Cost Recovery Policy](#) and [Charging Framework](#).

Where specific demand for a government activity is created by identifiable individuals or groups, they should be charged for it unless the Government has decided to fund that activity. Where it is appropriate for the Australian Government to participate in an activity, it should fully utilise and maintain public resources, through appropriate charging. The application of charging should not, however, adversely impact disadvantaged Australians.

We currently recover costs by charging fees for applications for aged care approved provider status. We also charge fees for residential care service accreditation and reaccreditation site audits.

2. What is the Cost Recovery Consultation Paper?

The Consultation Paper has information on proposed new fees for aged care providers wishing to:

- register to deliver Government-funded aged care services
- renew their registration



- vary their registration, including:
 - registering in a new category
 - removing a registration category
 - adding a new approved residential care home.
- Audit activities associated with registration, renewal or variation of registration.

We propose to charge fees to providers to cover the full cost of these activities.

The paper explains:

- why we are proposing new fees
- what the proposed new fees are
- how they were calculated
- what activities they cover.

Can I provide feedback on the Consultation Paper?

Yes. We encourage you to provide feedback on the Consultation Paper. Your feedback will be used to understand the impact of the proposed new fees and help shape advice to Government on fees and fee waiver eligibility. We will review and consider all feedback and will publish a public response following the consultation period.

This Consultation Paper will be adjusted to include feedback from the consultation process and will form our Cost Recovery Implementation Statement 2025–2026.

3. What is a Cost Recovery Implementation Statement (CRIS)?

A CRIS is an explanatory document that provides key information on how a government agency plans to recover costs for a specific activity. The CRIS outlines:

- cost recovery arrangements, including the activities the agency recovers costs for, fees it charges, and fee waiver criteria
- cost recovery activities undertaken, including the number and type of activities
- relevant financial statements, such as total fee revenue and expenses for cost recovered activities.



We are required to publish a CRIS each financial year. The cost recovery arrangements in our next CRIS will apply for 2 years, starting from 1 July 2025. The 2025–26 financial year CRIS will be published on our website before 1 July 2025. Our 2026–27 financial year CRIS will contain the same charging arrangements but include updated cost recovery expenses and revenue and activity volumes, updated key forward dates and events, as well as indexed fees.

We are also required to regularly review the cost recovery arrangements. Further consultation will take place on the cost recovery arrangements that will apply from 1 July 2027 closer to this time.

4. What are the new registration processes?

New registration

- New providers must apply in one or more of the 6 new registration categories. These categories are available in [Attachment A of the Consultation Paper](#).
- We will assess their application form and (where relevant) audit the provider before deciding whether to grant registration.
- The standard registration period is 3 years.

Renewing registration

- We will invite providers to renew their registration up to 18 months before expiry.
- We will assess a provider's previous conduct and audit them (if relevant) before deciding whether to renew registration.

Varying registration

- Providers can seek to amend (vary) their registration profile. This includes registering in a new category, removing a registration category, or approval of a new residential care home.
- Processes for varying registration depend on the type of variation, but we will generally assess and (where relevant) audit a provider before deciding whether to vary their registration.

5. What are the proposed new fees and who do they apply to?

The proposed fees for each registration activity are outlined in Section 3.3.1 of the [Consultation Paper](#). Applicants will pay the fee when they submit their application to register, renew or vary their



registration. Applicants seeking registration in any of the registration categories will be charged some form of a fee, including home care services.

Our proposed fee structure includes different fees based on the registration categories. This is because the registration categories group together provider services based on similar types of care, complexity and risk. Registration categories with more complexity and risk require more time for us to assess applications.

Categories 4 to 6 will also require an audit for registration, renewal and variation but categories 1 to 3 will not. This is also based on the complexity and risk of the care and services included in each registration category.

We are also proposing different fees for applications to vary a provider registration depending on the type of variation. For example, fees for applications to add a registration category will be higher than fees for applications to remove a category.

Fees will be indexed each financial year.

6. Will there be any fee waivers?

Yes, we are proposing that some applicants be eligible for a full or partial fee waiver. See Section 3.3.2 of the [Consultation Paper](#) for more information on proposed waivers.

The fee waiver criteria is designed to support providers to enter and continue to operate in thin markets, and who may be experiencing financial viability risk to remain in the market.

Please see scenarios below to further understand how the fee waiver criteria may be applied.

7. What happens to my approved provider status on 1 July 2025?

Before 1 July 2025, the Department of Health and Aged Care will transfer all government-funded aged care providers to one or more of the 6 new registration categories based on the services they deliver. This process is known as 'deeming'.

The Commission will determine a provider's registration expiry date based on:

- risk to older people receiving care and services
- data from our regulatory activities



- workforce management
- how long ago the last accreditation audit or contact with the provider was.

We will let providers know of their registration expiry date and invite providers to renew their registration up to 18 months beforehand.

8. When does consultation close and how can I give feedback?

Consultation opens on Wednesday, 5 March 2025 and closes 12pm AEDT Tuesday, 1 April 2025. You can provide feedback via the [Cost Recovery Consultation feedback form](#).

9. Where can I go for more information?

- I want more information on what this consultation is about and the process to give feedback: View the [Cost Recovery Consultation webpage](#)
- I want to understand more about the New Act: [New Aged Care Act resources | Australian Government Department of Health and Aged Care](#)
- I want to understand more about the new registration categories: [Provider Registration Policy | Aged Care Quality and Safety Commission](#)
- I want to understand how my current services will be deemed into new categories: [The deeming process – transitioning providers to the new system | Australian Government Department of Health and Aged Care](#)
- I want to understand more about the Modified Monash Model (MMM) classifications: [Modified Monash Model | Australian Government Department of Health and Aged Care](#)
- I want to find out about the Charging Policy:
<https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/australian-government-cost-recovery-policy>
- I want to see the current Cost Recovery Implementation Statements:
 - [Cost Recovery Implementation Statement for accreditation services 2024-25](#)
 - [Cost Recovery Implementation Statement – applications for aged care approved provider status 2024-25](#)



10. Scenarios based on the proposed cost recovery arrangements and waiver criteria

Below scenarios for providers who want to register their new services

Scenario	Fee calculations
An organisation or person entering the market seeking initial registration in categories 1 and 3 to provide services in a metropolitan area (MM1).	<ul style="list-style-type: none">The applicant is not eligible for a fee waiver as they are seeking to service an MM1 area. This means, the applicant will be charged a total of \$5,830.This total is broken up by:<ul style="list-style-type: none">Entity level assessment = \$3,290 (once)Review of category specific requirements (Categories 1-3) = \$1,270 x 2 = \$2,540 (once per category)
A new provider entering the market seeking registration in categories 1 and 3. They seek to provide at least 85% of services to recipients located in MM6 and/or MM7 areas.	<ul style="list-style-type: none">The applicant is required to substantiate their claim, but they are eligible for a full fee waiver as they seek to provide at least 85% of services to recipients in MM6 and/or MM7 areas. This means, the applicant will be charged \$0 to apply for registration.
A new provider entering the market seeking to become a registered provider of home support services and seeking registration in categories 1 to 5. They seek to provide at least 50% of services to recipients located in MM6 and/or MM7 areas.	<ul style="list-style-type: none">The applicant is not eligible for a fee waiver as they do not meet the 85% threshold to deliver care in MM6 and/or MM7 areas. This means the applicant will be charged a total of \$29,650.This total is broken up by:<ul style="list-style-type: none">Entity level assessment = \$3,290 (once)Review of category specific requirements (Categories 1-3) = \$1,270 x 3 = \$3,810 (once per category)Review of category specific requirements (Categories 4-5) = \$3,820 x 2 = \$7,640 (once per category)Registration audit (4-6) = \$14,910 (once)



A new provider entering the market seeking to become a home care provider and seeking registration in categories 1 to 5. They are classified as an Aboriginal Community Controlled Organisation (ACCO).

- The applicant is eligible for a **full fee waiver** as they are an ACCO. The applicant will be charged **\$0** to register.

A new provider entering the market in category 6 and seeking approval of 3 residential care homes (RCH). All Residential care homes will be located in [MM1](#).

- The applicant is **not eligible for a fee waiver** as they do not satisfy the [MMM](#) requirement and are not an ACCO. This means the applicant will be charged a total of **\$34,750**.
- This total is broken up by:
 - Entity level assessment = \$3,290 (once)
 - Review of category specific requirements (Category 6) = \$5,090 (once)
 - Residential care home approval = $\$3,820 \times 3 = \$11,460$ (once per RCH)
 - Registration audit (4-6) = \$14,910 (once)



Below scenarios for providers who wish to renew their services

Scenario	Fee calculations
Small provider registered in categories 1 and 3. The registered provider provides care and services to 23 consumers in an MM1 classified area.	<ul style="list-style-type: none"> Despite servicing an MM1 area, the applicant is eligible for a full fee waiver as they provide care and services to 29 or fewer consumers and can be classified as the smallest 10% of the sector. This means the registered provider will be charged \$0 to renew their registration.
Small provider registered in categories 1 and 3. The registered provider provides care and services to 42 consumers in an MM1 classified area.	<ul style="list-style-type: none"> The registered provider is not eligible for a fee waiver as they service an MM1 classified area and provide care and services to more than 29 consumers. This means the registered provider will be charged a total of \$1,845. This total is broken up by: <ul style="list-style-type: none"> Entity level assessment = \$295 (once) Review of category specific requirements (Categories 1-3) = $\\$775 \times 2 = \\$1,550$ (once per category)
<p>Provider registered in registration categories 1-5.</p> <p>The registered provider provides care and services to 112 consumers across MM1 to MM3 classified areas.</p> <p>Category 4 and 5 services are delivered to 72 consumers in a single state.</p>	<ul style="list-style-type: none"> The registered provider is not eligible for a fee waiver as they do not meet the MMM requirements. This means the registered provider will be charged a total of \$36,650. This total is broken up by: <ul style="list-style-type: none"> Entity level assessment = \$295 (once) Review of category specific requirements (Categories 1-3) = $\\$775 \times 3 = \\$2,325$ (once per category) Review of category specific requirements (Categories 4-5) = $\\$4,060 \times 2 = \\$8,120$ (once per category) Renewal audit – Provider level evidence gathering (Categories 4-6) = \$7,910 (once) Renewal audit – Category 4-5 = \$18,000 (once) (deemed ‘Moderate Complexity’ as the RP provides care and services to 72 consumers in one state. The registered



	<p>provider is therefore charged the \$15,590 fee associated with Moderate Complexity).</p>
<p>Large residential care provider with 27 residential care homes (RCH), registered in category 6.</p> <p>All residential care homes are in MM1-MM3 areas. Residential care home size breakdown:</p> <ul style="list-style-type: none"> • 1-150 beds: 22 • 151-250 beds: 4 • 251+ beds: 1 	<ul style="list-style-type: none"> • The registered provider is not eligible for any fee waivers. This means the registered provider will be charged a total of \$462,895. This total is broken up by: <ul style="list-style-type: none"> – Entity level assessment = \$295 (once) – Review of category specific requirements (Category 6) = \$5,410 (once) – Provider level evidence gathering (Categories 4-6) = \$7,910 (once) – Renewal audit – Category 6 (1-150 beds) = \$16,380 x 22 = \$360,360 (once per RCH) – Renewal audit – Category 6 (151-250 beds) = \$17,550 x 4 = \$70,200 (once per RCH) – Renewal audit – Category 6 (251+ beds) = \$18,720 x 1 = \$18,720 (once per RCH)
<p>A provider registered in category 6, with three approved residential care homes (RCH) seeking to renew their registration. Their approved homes include:</p> <ul style="list-style-type: none"> • RCH 1: MM2, 123 consumers • RCH 2: MM6, 18 consumers • RCH 3: MM5, 27 consumers <p>For their last reaccreditation site audits, RCH 2 received a full fee waiver and RCH received a 50% fee waiver.</p>	<ul style="list-style-type: none"> • The registered provider will be eligible for a partial fee waiver as 2 of 3 approved residential care homes meet the fee waiver criteria. This means the registered provider will be charged a total of \$38,185. This total is broken up by: <ul style="list-style-type: none"> – Entity level assessment = \$295 (once) – Review of category specific requirements (Category 6) = \$5,410 (once) – Provider level evidence gathering (Categories 4-6) = \$7,910 (once) – Renewal audit – Category 6 = \$24,570 <ul style="list-style-type: none"> ○ RCH 1: Renewal audit – Category 6 (1-150 beds) = \$16,380 (once, no fee waiver) ○ RCH 2: Renewal audit – Category 6 (1-150 beds) = \$0 (full fee waiver) ○ RCH 3: Renewal audit – Category 6 (1-150 beds) = \$8,190 (once, 50% fee waiver)



Below scenarios for a provider who wants to vary their registration

(eg. Register in a new category, remove a registration category, or approval of a new residential care home)

Scenario	Fee calculations
A provider registered in categories 1 and 3 seeking to add categories 4 and 5 to provide services across MM1-MM2 .	<p>The registered provider is not eligible for a fee waiver as they do not meet the MMM criteria and is not an ACCO. This means the RP will be charged a total of \$26,220. This total is broken up by:</p> <ul style="list-style-type: none">• Application - add category - Category 4-5 = \$3,820 x 2 = \$7,640 (once per category)• Variation Audit - add category 4-6 = \$18,580 (once)
A provider registered in categories 1-5 seeking to register in category 6 and have one new residential care home approved. The registered provider is an Aboriginal Community Controlled Organisation (ACCO).	<p>The registered provider is eligible for a full fee waiver. The registered provider will be charged \$0 for the variation.</p>
A provider registered in registration categories 1-5 seeking to register in category 6 and have one new residential care home approved in a MM2 area.	<p>The registered provider is not eligible for a full fee waiver as it does not meet the MMM location requirement and is not an Aboriginal Community Controlled Organisation. This means the registered provider will be charged a total of \$27,490. This total is broken up by:</p> <ul style="list-style-type: none">• Application - add category - Category 6 = \$5,090 (once)• Residential care home approval = \$3,820 x 1 = \$3,820 (once per RCH)• Variation Audit - add category 4-6 = \$18,580 (once)



Medium sized provider registered in categories 1-5. They have zero consumers and are seeking to remove category 4 and 5.	<p>The registered provider will be charged a total of \$1,100. This total is broken up by:</p> <ul style="list-style-type: none">• Application - remove category - Category 4-6 (zero consumers) = $\\$550 \times 2 = \\$1,100$ (once per category)
An existing provider registered in category 6 is purchasing a residential care home that has already been approved. They are seeking to add the approved residential care home to their registration.	<p>The registered provider will not have to pay for any variation fees as the residential care home is an existing service. Variation fees to apply to approval of new residential care homes only.</p>



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