



Australian Government

Aged Care Quality and Safety Commission

COST RECOVERY IMPLEMENTATION STATEMENT

**Applications for aged care approved provider status
(1 July 2025 – 31 October 2025)**

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all of the minimum efficient costs of a specific government activity. The Cost Recovery Policy along with the Australian Government Charging Framework (the Charging Framework) sets out the policy under which government entities design, implement and review charging for regulatory activities. The Cost Recovery Implementation Statement is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

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1. INTRODUCTION

1.1. Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on how the Aged Care Quality and Safety Commission (the Commission) implements cost recovery charging for applications for aged care approved provider status. The CRIS reports actual financial and non-financial performance information for applications for aged care approved provider status and contains financial and demand forecasts for the period 1 July to 31 October 2025.

Although the CRIS typically includes financial and demand forecasts for the relevant financial year and three forward years, the commencement of the *Aged Care Act 2024* (the new Act) on 1 November 2025 resulted in the discontinuation of the regulatory activities described in this CRIS. New cost recovery arrangements have been implemented for regulatory activities under the new Act, and the current cost recovery arrangements for provider approvals ceased on 31 October 2025. As such, this CRIS only includes financial and demand forecasts for the four-month period from 1 July to 31 October 2025.

1.2. Context for cost recovery

The Australian Government Cost Recovery Policy (CRP) sets out the overarching framework under which government entities design, implement and review cost recovered activities. Government entities must document cost recovered activities in a CRIS as required by the CRP.

Cost recovery by the Commission aligns with the Government's overarching cost recovery policy that, where appropriate, non-government recipients of specific government activities should be charged some or all of the costs of those activities. The CRP sets out the overarching framework under which government entities design, implement and review cost recovered activities.

1.3. Description of the regulatory charging activity

On 1 January 2019, the Commission was established by the *Aged Care Quality and Safety Commission Act 2018* (the Commission Act). The Commission has regulatory responsibility for aged care, including approval of aged care providers, accreditation, monitoring, compliance functions, resolution of complaints and monitoring of Commonwealth funded aged care providers.

Under the Commission Act, organisations seeking to provide aged care services subsidised by the Australian Government are required to be an 'approved provider.' To become an approved provider, organisations must make a written application which is assessed by the Commission to determine if they meet, or have the ability to meet, the matters that must be considered as set out under the Commission Act.

Applicants must comply with four legislative rules under the Commission Act:

- use the approved form;
- be a corporation;
- be suitable to provide aged care; and
- do not have any disqualified individuals as key personnel.

Assessing that a business is suitable to provide aged care involves a significant assessment process.

From 1 January 2020, businesses have been applying to the Commission to be assessed for suitability to become an approved provider (i.e., to enter the aged care market). Prior to 1 January 2020, businesses applied to the Department of Health, Disability and Ageing (formerly Department of Health and Aged Care) for this assessment.

1.4. Activities being cost recovered

In the 2021-22 Budget, the Government decided that businesses seeking to apply to become an approved provider of aged care will be charged a fee to recover the costs of the assessment of their application. Additionally, further costs will be recovered from applicants who fail to provide all evidence requested prior to the application being submitted.

Government organisations, while required to apply using an approved form, do not undergo a significant assessment process as legislation deems them to be approved.

Section 3 describes the types of applications and process where fees will be charged. Charging commenced on 15 November 2021.

1.5. Appropriateness of cost recovery

Consistent with the Australian Government Charging Framework (the Charging Framework), since 15 November 2021 applicants have been charged application fees, as they create a need for the regulatory activity through the desire to supply aged care services through an aged care business. Applicants lodging their application have been required to pay an application fee at the time they submit their application.

The Commission is required to conduct a review of the charging model and fee levels on an annual basis before each new financial year begins. The fee levels have been updated and are effective from 1 July 2025.

2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)

2.1. Government policy approval to charge for this regulatory activity

In the 2021-22 Budget, the Government decided that businesses seeking to apply to become an approved provider of aged care will be charged fees to recover the costs of the assessment. Fees commenced on 15 November 2021. A reduced fee structure was approved for applicants seeking to operate, or already operating in thin markets. Indexation has been applied to the fees for 1 July to 31 October 2025 as it is a requirement under the Australian Government's cost recovery framework to review fees charged for cost recovered activities and amend them based on changes to the cost of undertaking the activity.

2.2. Statutory authority to charge

Section 23 of the Commission Act provides for the charging of fees for services provided by the Commissioner in performing their functions. Furthermore, section 63B of the Commission Act provides

that applications for approval as a provider of aged care must be accompanied by any fee specified by the Commissioner.

An instrument specifying the amount of the fees to be charged must be in place before charging commenced.

3. CHARGING (COST RECOVERY) MODEL

3.1. Outputs and business processes of the activity

The objective of this regulatory charging activity is to improve the efficiency, productivity and responsiveness of the application assessment and decision process, and accountability for the submission of approved provider applications. Approval must be sought from the delegate of the Commissioner, via the Application for approved provider process before a provider can receive a subsidy from the Commonwealth Government for providing aged care¹. The delegate must make a decision within 90 days of receiving the application. Applications are assessed against the legislation and a recommendation is made to the delegate. There are three types of applications made:

1. **New Applicants:** Organisations that are not currently approved to provide any type of aged care services under the Commission Act, including home care, residential care and/or flexible care.
2. **Existing approved providers:** Organisations that are existing approved aged care providers and are seeking approval to provide an additional type of care. For example, if an organisation is already approved to provide residential care, it may apply for approval to provide home care, flexible care, or both. Note: if an organisation is currently only providing services under the Commonwealth Home Support Programme (CHSP) and would like to apply to become an approved provider, it must apply as a new applicant. Existing approved aged care providers are expected to provide full substantiation of their claims for new areas of care and are not automatically deemed to be suitable (that is, without assessment) due to the different requirements across care types.
3. **Government Organisations:** States, territories, authorities of a state or territory and local government authorities are taken (deemed) to be approved in respect of all types of aged care. Because of this, a simplified application form has been developed for government organisations. The information collected from the form enables a record to be created and subsidies paid to the organisation. There is no assessment conducted on this information, with information captured for record creation purposes only. Where a government organisation is approved for residential care, they will still be required to apply for accreditation or reaccreditation regarding individual residential aged care service/s.

¹ Information regarding the Application for Approved Provider process is available on the Aged Care Quality and Safety Commission website (<https://www.agedcarequality.gov.au/providers/becoming-approved-aged-care-provider>).

Each application to become an approved provider may seek approval for up to three (3) care types:

- **Residential Care** – Residential care is provided in aged care facilities on a permanent or respite (short-term) basis.
- **Home Care** – Home care assists older people to continue living at home whilst being provided with personal and support services, and clinical care. Home care relates to home care packages and does not include home support provided under other government funded aged care programs.
- **Flexible Care** – Flexible care (in the form of Short-Term Restorative Care (STRC)) caters for older people who need a different type of care from that offered by mainstream home care and residential care services. STRC services may be delivered in a home care setting, a residential care setting, or a combination of both.

Application complexity does not vary between new or existing providers, and each care type has individual suitability requirements under the Commission Act, which modelling has shown do not differ in their complexity. This has meant that the key difference between applications is the number of care types applied for, not whether a provider is new or existing.

The key business processes to assess all care types are:

- accept, register and undertake a pre-assessment check of the application;
- issue a request for further information if a complete application has not been provided;
- assessment of the application;
- issue a request for further information if suitability information has not been completely provided; and
- provide notifications and explanation to applicants.

For the period 1 July to 31 October 2025, the Commission has estimated the volume of applications and requests for information from applicants which are specified in Table 1. These volumes are the basis of revenue and expense forecasts in Table 5 (section 3.3).

Table 1: Volume forecasts used in determining the outputs for 1 July to 31 October 2025

The volume of all applications for the period, consisting of:	58
The volume of home care (only) applications for the period	51
The volume of residential care (only) applications for the period	1
The volume of flexible care (only) applications for the period	0
The volume of two care type applications for the period	5
The volume of three care type applications for the period	1
The volume of pre-assessment request for information notices issued to applicants for the period	12
The volume of assessment request for information notices issued to applicants for the period (initial)	16
The volume of assessment request for information notices issued to applicants for the period (subsequent)	5

The volume of waivers expected to be granted for the period	0
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3.2. Costs of the regulatory activity

The approach used to determine the costs of this regulatory charging activity is a marginal Activity-Based Costing (ABC) methodology for the allocation of all direct and indirect costs to the assessment activities. Direct and indirect costs have been estimated based on the average time required to assess one application of each type. Direct costs are those costs that can be directly attributed to the regulatory charging activity, such as staffing costs. Indirect costs are those costs which are difficult to link to individual activities, such as business overhead costs. All indirect costs were disaggregated and spread throughout the model to provide the full cost of each activity, on the basis of full-time staff equivalents involved in the activity.

The main cost driver for the activity is staff costs to manage the volume of applications. The model assumes that each single care type application takes the same (average) amount of time to assess. Staff from Australian Public Service (APS) Level 4 to Executive Level 2 or equivalent are involved in the process, with the bulk of the work taking place at the APS 4 to Executive Level 1 levels or equivalent. The Commission determined the amount of time required at each staffing level to assess an application through detailed modelling of current activity. These time allocations were used to calculate direct costs for the activity, being the total of salaried and associated on-costs.

The applicable fees for 1 July to 31 October 2025 with annual adjustment based on indexation are shown in Table 2 (below).

Table 2: Applicable fee per application

Estimated Unit Cost per Application	Direct Costs (\$)	Indirect Costs (\$)	Total Cost (\$)	NEW Fee (\$) effective 1 July 2025	Previous Fee (\$)
Home Care Applications	7,190	2,153	9,343	9,340	9,070
Residential Applications	7,190	2,153	9,343	9,340	9,070
Flexible Applications	7,190	2,153	9,343	9,340	9,070
Multiple Applications - 2 care types	8,401	2,456	10,857	10,860	10,530
Multiple Applications - 3 care types	9,836	2,839	12,675	12,670	12,270
Pre-Assessment RFI	183	59	242	240	235
Home Care Evaluation 1st RFI	963	261	1,224	1,220	1,170
Residential Evaluation 1st RFI	963	261	1,224	1,220	1,170
Flexible Evaluation 1st RFI	963	261	1,224	1,220	1,170

Estimated Unit Cost per Application	Direct Costs (\$)	Indirect Costs (\$)	Total Cost (\$)	NEW Fee (\$) effective 1 July 2025	Previous Fee (\$)
Multiple - 2 care type Evaluation 1st RFI	1,175	319	1,494	1,490	1,430
Multiple - 3 care type Evaluation 1st RFI	1,447	392	1,839	1,840	1,760
Home Care Evaluation 2nd RFI	407	107	514	515	490
Residential Evaluation 2nd RFI	407	107	514	515	490
Flexible Evaluation 2nd RFI	407	107	514	515	490
Multiple - 2 care type Evaluation 2nd RFI	487	128	615	615	585
Multiple - 3 care type Evaluation 2nd RFI	612	161	773	775	740

Time spent on preparation of notices to applicants where their applications have not been approved is considered not recoverable. Time spent on submissions where it has been determined that no further action is required is not recoverable.

3.3. Design of the regulatory charge

The Government's policy decision provides authority for the Commission to fully cost recover administration of the application assessment process by charging cost recovery fees to corporations applying to become a new approved provider, or to become an approved provider in a new care type and applying an indexation rate to the fees annually. The fees reflect the efficient cost of the service provided by the Commission.

The intention is for applicants to pay a fee at just one point: the time they apply.

Additional fees may be incurred by the applicant if they do not supply all mandatory evidence as identified on the application form or fail to fully outline their suitability to provide aged care. The Commission provides comprehensive supplementary information and prompts in the application form to support applicants through this process. These fees do not incur GST.

The fees are defined by the number of care types being applied for, and any request for further information during the assessment process.

Table 3: Application fees

Application category	Description
Single care type application	Applicant may be new or existing, and making an application for approved provider status in one care type e.g., home care only.

Application category	Description
Multiple – 2 care type application	Applicant may be new or existing, and making an application for approved provider status in two care categories e.g., home care and residential care.
Multiple – 3 care type application	Applicant is new and making an application for approved provider status in all care types i.e., home care, residential and flexible care.
Government Applications	Applicant is a state, territory or local government business and making application for approved provider status. Under the Commission Act the application is deemed to be approved and only basic assessment is undertaken.
Identified special market	Applicant may be new or existing, and making an application for approved provider status for any care type. The applicant will be providing services in a market area that is underserved and may also target a special category of consumer.

Table 4: Additional fees potentially incurred

Additional Fee types	Description
Request for information – pre-assessment	Only payable when applicant has made an application and has not answered a question or provided all the required evidence. The Commission is requesting completion of form and evidence.
Request for information – assessment (first)	Only payable when applicant has made an application and has not provided enough information to allow the Commission to make a decision. The Commission is requesting more information to substantiate claims of suitability.
Request for information – assessment (subsequent)	Only payable when applicant has been asked to provide further information and has not provided information to allow the Commission to make a decision, however the Commission believes they may be able to substantiate suitability. The Commission is requesting more information to substantiate claims of suitability.

Table 5: Application fee rates for 1 July-31 October 2025

Fee title	Type	Rate	Estimated Volume	Estimated total revenue	Output	Business process
Single care type application	Fee	\$9,340	52	\$485,680	Single care type application	Home Care applications Residential applications Flexible applications
Multiple – 2 care type application	Fee	\$10,860	5	\$54,300	Multiple – 2 care type application	Multiple applications – 2 care types
Multiple – 3 care type application	Fee	\$12,670	1	\$12,670	Multiple – 3 care type application	Multiple applications – 3 care types
Request for information pre-assessment	Fee	\$240	12	\$2,880	Request for information pre-assessment	Pre-assessment RFI
Request for information – assessment (initial)	Fee	\$1,220	14	\$17,080	Request for information – assessment (initial)	Home Care evaluation 1 st RFI Residential evaluation 1 st RFI Flexible evaluation 1 st RFI
Request for information – assessment (initial)	Fee	\$1,490	2	\$2,980	Request for information – assessment (initial)	Multiple – 2 care type evaluation 1 st RFI
Request for information – assessment (initial)	Fee	\$1,840	0	\$0	Request for information – assessment (initial)	Multiple – 3 care type evaluation 1 st RFI
Request for information – assessment (subsequent)	Fee	\$515	5	\$2,575	Request for information – assessment (subsequent)	Home Care evaluation 2 nd RFI Residential evaluation 2 nd RFI Flexible evaluation 2 nd RFI
Request for information – assessment (subsequent)	Fee	\$615	0	\$0	Request for information – assessment (subsequent)	Multiple – 2 care type evaluation 2 nd RFI
Request for information – assessment (subsequent)	Fee	\$775	0	\$0	Request for information – assessment (subsequent)	Multiple – 3 care type Evaluation 2 nd RFI

3.4. Fee waivers

Waivers of all fees (the initial fee and any “Request for Information” fees) are available to applicants who intend to provide either all or at least 85% of the services covered by their approved provider application to consumers located in the Modified Monash Model areas 6 and 7 (regions that are remote or very remote). Applicants must be able to provide substantial evidence to support any application for a fee waiver.

Information on the Modified Monash Model, fee waiver application process and evidence usefully provided in support of a waiver application can be found on the Commission’s website.

4. RISK ASSESSMENT

The initial Charging Risk Assessment rated the cost recovery activity as 'Medium' following careful consideration of issues raised by consultation respondents prior to implementation in November 2021 (most notably about the potential for charges to restrict market entry), the likely contribution of fee arrangements to policy objectives (principally, the encouragement of quality applications), and the waiver arrangements (including the transparency and procedural simplicity of related processes). The Charging Risk Assessment is regularly reviewed.

A post-implementation review was conducted in June 2023 to consider the impact of the cost recovery arrangements on the volumes of approved applications (market entry), application quality and fee waiver arrangements. The review found that the approval rate has been higher following the implementation of fees, and Commission staff have made fewer requests for further information from applicants. This indicates that the introduction of fees has positively influenced applicants’ behaviour by encouraging improved quality of applications, resulting in an increased rate of approvals.

Based on the outcome of the June 2023 review, no changes were proposed to the current form of charging or the fee waiver and the Charging Risk Assessment rating for this cost recovery activity remained 'Medium'.

An updated Charging Risk Assessment was undertaken in June 2025 and the overall risk rating is Low.

5. STAKEHOLDER ENGAGEMENT

Following the announcement of the introduction of cost recovery, the Commission engaged in stakeholder consultation in 2021-22 prior to the commencement of charging, briefing peak bodies, publishing a consultation paper on its website based on an early version of this CRIS, and inviting feedback. The current CRIS will be used as part of the Commission’s ongoing engagement with stakeholders about cost recovery, and to provide transparency in relation to our financial and non-financial performance.

5.1. Introduction of the new *Aged Care Act 2024*

The Australian Government has developed the new Act to strengthen Australia's aged care system. The new Act aims to ensure that people who access aged care services funded by the Australian Government are treated with respect and have the quality of life they deserve. The Australian Government passed the Aged Care Bill 2024 on 25 November 2024 and the new Act commenced on 1 November 2025.

The new Act establishes an entirely new framework for the regulation of Commonwealth-funded aged care. The Commission has considered the impact on the costs of regulatory activities and established new cost recovery arrangements under the new Act. The Commission held a four-week public consultation on the proposed new arrangements from 5 March to 1 April 2025².

After the outcomes of consultation were taken into account and a final decision made by the Australian Government, the final cost recovery arrangements under the new Act from 1 November 2025 were implemented. These arrangements are detailed in a new CRIS, published on the Commission's website.

6. FINANCIAL PERFORMANCE

6.1. Financial Estimates

The figures in the table below are forward estimates for 1 July to 31 October 2025. A review of actual financial performance compared with estimates will be undertaken post 31 October 2025. Forward estimates beyond 31 October are not included, due to the commencement of the new Act on 1 November 2025. New cost recovery arrangements have been implemented for regulatory activities under the new Act and a new CRIS for these arrangements, with forward estimates, is available on the Commission's website. The cost recovery arrangements for applications for aged care approved provider status ceased on 31 October 2025.

Table 6: Forecast financial performance

Financial Item	1 Jul - 31 Oct 2025
Total expenses	\$616,198
Total revenue	\$578,165
Balance = revenue - expenses	-\$38,033
Cumulative balance	-\$262,797

² Details of the public consultation can be found on the Aged Care Quality and Safety Commission's website (<https://www.agedcarequality.gov.au/cost-recovery-consultation>)

6.2. Financial Outcomes

Table 7: Financial performance

Financial Item	2021-22*	2022-23	2023-24	2024-25
Estimates				
Revenue = X	\$1,177,370	\$1,283,970	\$1,093,715	\$1,293,840
Expenses = Y	\$1,264,353	\$1,373,512	\$1,110,971	\$1,337,080
Balance = X – Y	-\$86,983	-\$89,542	-\$17,256	-\$43,240
Cumulative balance	-\$86,983	-\$176,525	-\$193,781	-\$237,021
Actuals				
Revenue = X	\$192,163	\$427,771	\$1,259,530	\$1,892,390
Expenses = Y	\$205,642	\$552,902	\$1,104,233	\$2,122,726
Balance = X – Y	-\$13,479	-\$125,131	\$155,297	-\$230,336
Remissions, rebates and adjustments = Z	\$0	\$0	\$10,880	\$235
Net balance = balance – Z	-\$13,479	-\$125,131	\$144,417	-\$230,571
Cumulative balance	-\$13,479	-\$138,610	\$5,807	-\$224,764

* Charging commenced November 2021 – actuals for November 2021 to June 2022.

7. NON-FINANCIAL PERFORMANCE

The Commission will be monitoring the volume of applications with the expectation of a reduction in inaccurate and incomplete applications (request for information and non-approvals). By charging fees, it is expected this will improve the efficiency and responsiveness of the businesses applying to become an approved provider. To determine the performance, the Commission will be measuring:

- Number of requests for information at:
 - Pre-assessment
 - Assessment (initial)
 - Assessment (subsequent)
- Number of approved applications
- Number of non-approved applications.

Table 8: Volumes of applications

Output description	Total output volume	2021-22*	2022-23	2023-24	2024-25	1 Jul-31 Oct 2025
New Provider Applications	Actuals	62	109	188	197	
	Estimated	122	134	130	130	58
New Provider Request for Information Pre-assessment	Actuals	9	3	25	21	
	Estimated	79	86	26	26	12
New Provider Request for Information Initial	Actuals	22	48	122	51	
	Estimated	62	67	55	55	16
New Provider Request for Information Subsequent	Actuals	0	12	69	15	
	Estimated	15	16	16	16	5
Approved Applications	Actuals	21	44	24	54	
	Estimated	35	26	54	25	15
Non-Approved Applications**	Actuals	169	176	114	111	
	Estimated	35	23	52	105	23

* Charging commenced for approved providers on 15 November 2021.

**This figure also includes withdrawn and incomplete/invalid applications that were returned to the applicant. An applicant can withdraw its application at any time, or if the applicant fails to provide further information on request by the Commission within legislative timeframes it is withdrawn.

Note: Approved decisions and non-approved applications cannot be reflected as a proportion of all received applications, as they may be related to applications received in a previous financial year.

8. KEY FORWARD DATES AND EVENTS

Event	Date
2025-26 CRIS for the new Act (provider registration, renewal of registration and provider-initiated variation of registration) published	August 2025
Annual financial outcomes and non-financial performance update for FY2024-25	November 2025

9. CRIS APPROVAL AND CHANGE REGISTER

Date of change	CRIS change	Approver	Basis for change
20/09/2021	Cost recovery consultation paper published	Accountable authority	Stakeholder consultation
10/11/2021	Agreement to the CRIS	Minister for Aged Care and Senior Australians	New regulatory charging authority
12/11/2021	Certification of the CRIS	Commissioner	New regulatory charging activity
21/06/2022	Certification of the CRIS	Commissioner	Annual financial year update outlining indexed fees and forward financial estimates of revenue and expenses
29/06/2023	Certification of the CRIS	Commissioner	Annual financial year update outlining indexed fees and forward financial estimates of revenue and expenses. Consider changes resulting from the comparison of actual and predicted revenue and expenses, and the comparison of actual and volume forecasts.
8/12/2023	Certification of the CRIS	Commissioner	Insertion of financial performance section 7a
1/07/2024	Certification of the CRIS	Commissioner	Format update. Addition of section 5.2. Introduction of the new Aged Care Act. Annual financial year update outlining indexed fees and forward financial estimates of revenue and expenses.
23/06/2025	Certification of the CRIS	Commissioner	Annual financial year update outlining indexed fees and forward financial estimates of revenue and expenses.
17/11/2025	Certification of the CRIS	Commissioner	Annual financial year actual expenses, revenue and activity volumes update. Minor language amendments made to reflect the commencement of the new Act on 1 November 2025.