



# Investment Standard



To meet the Investment Standard, aged care providers must select, manage and monitor investments in a responsible way. This includes the investment of refundable deposits.

You must have governance arrangements, structures and processes that support you to make informed and careful decisions about investments.

Your Investment Management Strategy should also make sure any investment of refundable deposits you make are in line with the [permitted uses](#) of refundable deposits under the *Aged Care Act 2024* (Aged Care Act).

## Who it applies to

This Standard applies to all non-government providers registered in [category 6](#). It applies even if you don't hold refundable deposits.

It **doesn't** apply if you're a:

- government or local government authority, including government Multi-Purpose Services Program providers
- National Aboriginal and Torres Strait Islander Flexible Aged Care Program provider.

## What's required

You must develop and follow an **Investment Management Strategy** (IMS). Your IMS helps make sure you can provide safe, high-quality services and protect refundable deposits.

Your IMS should:

- support informed and wise investment decisions
- manage risks to financial stability, including liquidity and the ability to refund refundable deposits
- respond effectively to risks and changes that come up in the operating environment such as changes to laws, policies or services
- make sure that you invest refundable deposit balances in line with the [permitted uses](#) in the Aged Care Act.

Your IMS should include:

- the type and complexity of your business
- the availability of surplus (spare) funds
- investments you already have
- your access to skills and advice for managing investments.

Before making an investment, you must assess its risks. This includes how likely it is that the investment will affect your ability to refund refundable deposit balances when they're due.

The IMS should include:

- clear triggers for ending the investment
- strategies to recover any losses.

You can get professional advice when assessing these risks.



### Need more information?

Read our guidance document on the Financial and Prudential Standards

[www.agedcarequality.gov.au/resource-library/financial-and-prudential-standards-guidance-providers](http://www.agedcarequality.gov.au/resource-library/financial-and-prudential-standards-guidance-providers)

# Investment Standard: checklist for providers

Use this checklist to confirm your organisation meets the Investment Standard.

## Developing and using an IMS

Is your investment management strategy (IMS) documented in writing?

Does your IMS align with the organisation's investment goals?

Does your IMS:

- list your investment objectives
- make sure that investments made with refundable deposits funds comply with the permitted use requirements under the Aged Care Act and Aged Care Rules 2025
- document your strategies to assess and reduce risk?

Does your IMS address:

- your liquidity needs
- the effect your investments could have on your refundable deposit obligations?

Is your IMS approved by the governing body?

## Governance and oversight

Do you clearly define and assign responsibilities for the IMS to skilled staff?

Are there reporting processes to update the governing body on:

- IMS performance
- risks or changes?

Do you review and regularly update the IMS to address:

- new risks or operational changes
- shifts in your investment objectives?

Do investments consistently align with the IMS?

Do you have, and can people review, evidence that you follow the IMS?

Do you have clear procedures to identify, address and fix non-compliance?

## Key staff and your IMS

The staff who develop and use your IMS must have the right skills and experience. They must:

- supervise investments in line with the IMS
- keep your IMS up to date with changes in regulation, organisational needs and developing risks
- understand their responsibilities and accountabilities.

The level of skill you need depends on:

- your organisation's size
- the complexity of your investments
- how much risk you can accept.

For example, managing a single term deposit needs different expertise than managing a large portfolio.

You can also get expert advice.

If you outsource responsibilities for your IMS, make sure you clearly document this in your IMS and financial and prudential management system.

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