



Delivering the largest ever pay rise to aged care workers

Summary of package

The Australian Government is restoring dignity to aged care and ensuring older Australians are treated with the respect they deserve, with \$11.3 billion to increase the wages of aged care workers, roll out a new regulatory model, and embed new aged care assessment arrangements.

The Government recognises the complex and previously undervalued work of the aged care workforce which is why we are investing to fund the Fair Work Commission's interim decision for a 15% pay increase.

This is the largest ever pay increase for aged care workers. It signifies real progress towards genuinely valuing their dedication and skill, and will help aged care providers attract and retain staff.

Better, fairer pay will help attract and retain workers, while training programs will advance skills, enrich aged care careers and improve quality care.

The Government funds and regulates residential aged care providers to ensure they are well-staffed, financially viable, and deliver high quality, safe care. This Budget delivers a historic increase to the daily rate for aged care residents. The Australian National Aged Care Classification (AN-ACC) funding will be increased by 17%, per resident, per day, meeting the real cost of delivering care.

Many aged care providers are facing ongoing viability issues, with added pressures to adapt to reforms. This Budget will fund continued advisory services to aged care providers to improve capability, better manage financial risk, and expand professional support to providers in small to medium rural towns.

Additionally a new grant will be offered to aged care providers at greatest financial risk, to help them improve their performance.

This package includes

\$11.3b

to deliver 15% pay increase

\$487m

**to extend Disability Support
for Older Australians**

\$98.7m

**for provider viability
support**

\$12.9m

**to strengthen nutrition for
aged care residents**

The Budget also delivers stronger regulation, reporting and improved data so that older Australians, their families and carers will have the right information to choose their provider.

A new regulatory framework, to be reflected in the new Aged Care Act, will improve the quality and safety of aged care services, as well as restore trust and confidence in aged care providers. Funding is provided to upgrade Star Ratings and uplift food standards.

Older Australians increasingly want to receive aged care and live independently in their own homes for longer. Measures in this Budget provide additional Home Care Packages and establish new aged care assessment arrangements from July 2024.

First Nations elders, their families and carers, will have better access to culturally safe care where it is needed and an interim First Nations Aged Care Commissioner will help address barriers to accessing care.

Who benefits

Aged care workers will receive their largest ever pay rise, with the Government investing \$11.3 billion to fund the Fair Work Commission's interim decision for a 15% increase.

The wage rise will deliver cost-of-living relief for over 250,000 aged care workers. It is the largest ever pay increase in the history of the Fair Work Act.

Funding arrangements with providers will be put in place to deliver the increased wages to aged care workers.

We will progress the National Worker Registration Scheme with \$59.5 million over 4 years.

A new regulatory framework and prudential model (\$72.3 million in 2023–24) will enable changes in how providers are regulated, and be complemented by action to:

- improve aged care residents' dining experiences and food and nutrition reporting (\$12.9 million over 2 years)
- require residential aged care services to provide residents with Monthly Care Statements on care provided and occurrences of significant change.



- enable continuous improvement and enhance Star Ratings for older Australians, and work to expand the Quality Indicator program to in-home care services (\$139.9 million over 4 years)

The Government will invest \$166.8 million for an additional 9,500 home care packages in 2023–24, to meet the growing preference for older people to remain in their own home.

A newly established single assessment system will use existing assessment organisations to simplify and improve access to aged care services. Older people will no longer be bounced between different organisations to assess need.

A new Aged Care Taskforce will be established to review aged care funding arrangements and develop options to make the system fair and equitable for all Australians.

The Taskforce will also inform the final design of the Support at Home program which will be postponed to commence on 1 July 2025, in response to feedback and to allow time to further refine the design. Existing grant arrangements for the Commonwealth Home Support Programme will be extended for a further 12 months to 30 June 2025.

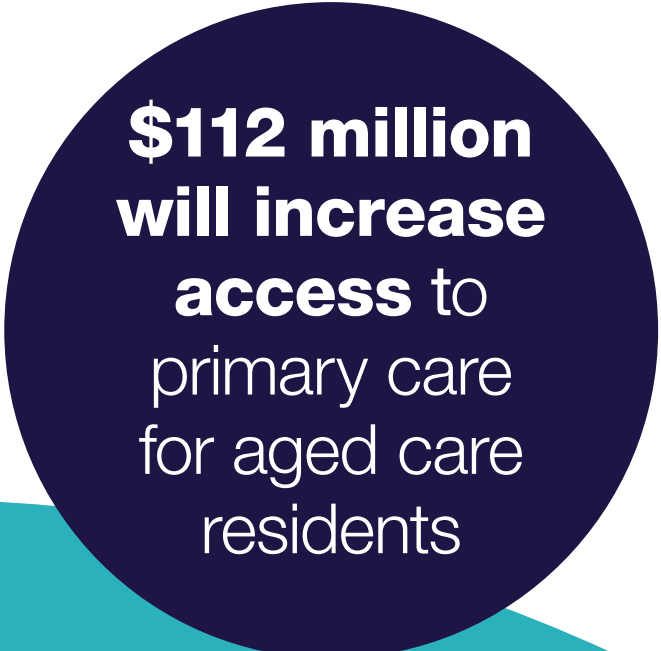
The Disability Support for Older Australians program will be extended and made ongoing with \$487 million in funding over 4 years. Older people with disability will benefit from delivery of consistent, timely, and high quality disability services so they can live in their homes and communities.

Aged care recipients will have greater choice and control in decision making with \$41.3 million in funding for systems that will assign residential care places to people, not providers.

\$112 million over 4 years will increase access to primary care for aged care residents, with new incentives for GPs. Aged care residents will benefit from more integrated care delivered by their chosen primary care provider, including regular visits to their aged care home and annual care planning. Their GPs can address health concerns as they arise, which reduces risk of avoidable hospitalisations.

Rural and remote areas, in particular, will benefit from \$98.7 million over 2 years to support the viability of local aged care providers. Rural and remote communities around Australia, will also benefit from \$47.2 million over 4 years to strengthen access to care and support through integrated services and workforce.

The National Aboriginal and Torres Strait Islander Flexible Aged Care Program will be further funded \$77.3 million over 4 years to ensure First Nations elders access high quality, culturally safe care and we will build the capacity of Aboriginal Controlled Organisations including \$8.2 million to ensure on Country services. \$1.6 million will fund an interim First Nations Aged Care Commissioner.



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Funding details

- Fair Work Commission – Aged Care Work Value Case \$11.3 billion over 4 years
 - Residential Aged Care funding increase \$8.5 billion over 4 years
 - Home Care Packages program subsidy increase \$2.2 billion over 4 years
 - Commonwealth Home Support Programme grant increase \$310 million over 4 years
 - Flexible aged care programs funding increase \$236.8 million over 4 years
 - Veterans' Home Care and Community Nursing fees increase \$82.5 million over 4 years
 - Funding for leave liabilities \$98.7 million in 2023–24
- Establish a National Worker Registration Scheme for Aged Care \$59.5 million over 5 years
- Building a strong regulatory framework for aged care \$59.4 million in 2023–24
- Improving transparency, Star Ratings \$139.9 million over 4 years
- Strengthening nutrition \$12.9 million over 2 years
- Development and delivery of a Bill for a new Aged Care Act and associated ICT changes \$81.9 million over 3 years
- Home Care Reform (Support at Home) \$172 million over 4 years
 - Aged Care Taskforce \$0.7 million in 2023–24
 - Trial of an assistive technology loans program \$10.9 million over 2 years
 - ICT Capability Development \$73.1 million in 2023–24
 - Single Comprehensive Assessment \$15.7 million over 2 years
- Additional Home Care Packages \$166.8 million in 2023–24
- Places to People: Embedding Choice in Residential Aged Care \$41.3 million over 4 years
- General Practice Incentive in Aged Care \$112 million over 4 years
- Aged Care Viability Support \$98.7 million over 2 years
- Aged Care Prudential Reform \$12.9 million in 2023–24
- Preliminary Report on the capability review of the Aged Care Quality and Safety Commission \$25.3 million in 2023–24
- Supporting First Nations Elders in Aged Care \$77.3 million over 4 years
- Disability Support for Older Australians \$487 million over 4 years



All information in this publication is correct as at May 2023

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