



Aged Care Wage Rise (Stage 3) – Home Care Packages Program subsidy increase

Care recipient fact sheet

This fact sheet is to help care recipients to prepare for the increase to award wages from 1 January 2025.

Background

The Australian Government is funding the Fair Work Commission's (FWC) Stage 3 decision on the Aged Care Work Value Case. From 1 January 2025, award wages will increase by between 2.3% and 13.5% for many aged care workers. For some workers, award wages will increase in 2 phases, with the second increase occurring on 1 October 2025.

The government is investing \$356.4 million to support the wage increase for the Home Care Package (HCP) Program. This funding builds on the \$11.3 billion commitment in 2023 to fund the previous 15% award wage increase for aged care workers determined by the FWC.

A more skilled and diverse workforce will deliver safe, consistent, high-quality aged care services for care recipients. This starts with fair wages for workers, a supportive workplace and recognition of the important, often undervalued work involved.

This fact sheet answers common questions about the wage subsidy increase to help you understand how this change affects your care.

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What is the package subsidy increase?

The government is funding the FWC Stage 3 decision by increasing the HCP subsidy to support providers to pass on the wage increase to your aged care workers.

All HCPs will increase by:

- 0.93% from 1 January 2025
- 0.44% from 1 October 2025, subject to the passage of the new Aged Care Act, the Support at Home program will replace the HCP Program on 1 July 2025.

From 1 January 2025, the basic subsidy rates will increase as follows:

Package Level	Current Daily Subsidy (1 July 2024)	Subsidy from 1 January 2025
Level 1	\$29.01	\$29.28
Level 2	\$51.02	\$51.49
Level 3	\$111.04	\$112.07
Level 4	\$168.33	\$169.90

The HCP subsidy increase will apply to the basic subsidy and supplements with a workforce component.

The supplements that are increasing are:

- Viability supplement
- Dementia and cognition supplement
- Veterans supplement
- EACH-D Top-up supplement.

Supplements such as oxygen and enteral feeding supplements will not increase, as these supplements do not have a workforce component.

How will providers pass on this increase to their workers?

Where a provider is paying their workers in line with the award wage, they will be required to pay their workers the new award rate from the start of the employee's first full pay period on or after 1 January 2025. Providers will need to pay some workers a second increase from the start of their first full pay period starting on or after 1 October 2025.

Some providers have a separate arrangement for paying their workers known as an Enterprise Agreement. This arrangement should mean that their workers are already being paid above award minimum wage. If this rate is not above the new award rate, these providers will also have to increase their workers' wage to at least meet the minimum requirements.

How will this affect my Home Care Package?

1. Your care and services should not change

The government is increasing the value of your package to cover the additional wage increase for aged care workers. Because of this, you should expect to continue to receive the same care and services as previously provided.

2. You can expect changes to your direct service charges

For your provider to pass on the wage increase directly to their workers, they may need to increase how much they charge you for the care and services delivered by their workers.

Your provider must discuss these pricing changes with you and ask you to agree to these price increases in your Home Care Agreement.

What do care recipients need to do?

If your provider gets in touch with you about the increase to your home care pricing, your provider should discuss with you:

- what these prices are being changed to
- why these prices are being changed
- what these new prices include
- when these new prices will start
- whether there are any impacts to your current services.

Providers are expected to give you a minimum of 14 days to respond to proposed changes to your Home Care Agreement, or unless otherwise indicated in the agreement.

For more information, refer to the Aged Care Quality and Safety Commission's [Home Services Pricing and Agreements brochure](#).

What if I don't agree to the price increases proposed by my provider?

If you are satisfied the prices are reasonable and are connected to the wage rise, we encourage you to agree to all reasonable price increases for your care and services provided by aged care workers.

If you don't agree to the price increases, it may make it harder for your provider to keep giving you the care and services you need.

What is a reasonable price?

Wages are one component of costs that go into calculating your service price. The percentage of costs that providers spend on wages will vary per provider.

Other costs may include:

- paid leave and superannuation for their workers
- business overheads including fuel, marketing and administration costs.

A reasonable and justifiable price increase must be:

- value for money and reflect the resources it takes to provide the care or service
- clear, understandable and transparent, in the best interests of care recipients
- in line with program requirements and legislation
- directly related to coordinating allowable care or services
- purchasing goods to meet the care recipient's assessed needs and goals.

As all providers must publish their current prices, if you think the price is too high you can [compare prices](#) on the My Aged Care website.

What can I do if a price increase doesn't seem reasonable?

If you have any concerns, speak to your provider first. Information must be communicated in a way that is clear, easy to understand and enables you to exercise choice.

Your provider must discuss with you the prices they propose before you agree to them. Your provider should explain to you how they worked out the new prices for your care and services. They may be able to compare the old and new prices to help you understand.

If your provider cannot explain why the price increase is reasonable, remember that you have a right to make a complaint, and this should not impact the services you receive.

All providers are required to have their own complaints handling process. You can also engage the support of an advocate to talk to your provider. Raising your concerns is an opportunity for providers to understand issues, find solutions and improve their care and services. More information on finding an advocate is at the end of this factsheet.

I pay an income tested care fee. What does this wage subsidy increase mean for me?

This subsidy increase means the value of everyone's package will go up from 1 January 2025.

If your income is above a certain amount, you may pay an income tested care fee as part of your home care fees. The income tested care fee is calculated separately to the HCP subsidy. For most people, the increase to the HCP subsidy from 1 January 2025 will not change their income tested care fee. Services Australia will send you and your provider a letter if your income tested care fee changes.

If you have questions about your income tested care fee you can contact Services Australia on 1800 227 475.

What do I do if a worker has questions about the wage increase?

You can suggest that the worker gets in touch with their employer.

Workers can also contact the Fair Work Ombudsman on 13 13 94 or [via their website](#) for wage related concerns.

How will the government ensure that wages are passed on to workers?

All aged care providers will be required to report their expenses in their Quarterly Financial Report and declare they have passed on the wage rise to workers who are paid under the Aged Care Award 2010 and the Social, Community, Home Care and Disability Services Award 2010.

Where can I go if I have further questions?

If you believe the increased prices for your care and services are unreasonable or you are still wanting more information, you can:

1. Talk to your provider

- Talk to your provider in the first instance so they can explain their prices.
- To help with this conversation, read the My Aged Care's [guide on agreeing to a Home Care Package](#).

2. Contact My Aged Care on 1800 200 422

- You can compare your provider to others in your area using the ['Find a Provider' tool](#) on the My Aged Care website.

3. Book an appointment with an Aged Care Specialist Officer (ACSO)

- For face-to-face services, an ACSO can help you in more detail with your aged care matters.
- Appointments are available at some Services Australia service centres, or by video chat if you have a myGov account.

- To book an appointment with an ACSO, call Services Australia's Aged Care line on 1800 227 475 or visit a service centre.

4. Older Persons Advocacy Network (OPAN)

- OPAN is a free, confidential, and independent service supporting people receiving or applying for government-subsidised aged care.
- An OPAN advocate can help you raise and address any aged care issues and understand your aged care rights.
- Call OPAN at 1800 700 600 (available 8am to 8pm, Monday to Friday and 10am to 4pm Saturday) for information about your rights and support to talk to your provider.
- Visit [OPAN's website](#) to learn more about how they can help you.

5. Contact the Aged Care Quality and Safety Commission (the Commission)

- You can contact the Commission if you feel uncomfortable talking to your provider about your concerns, or you have already tried without an acceptable outcome.
- You can contact the Commission by calling 1800 951 822 or [visiting their website](#).



Phone **1800 200 422** (My Aged Care's free call phone line)



Visit agedcareengagement.health.gov.au

For translating and interpreting services, call 131 450 and ask for My Aged Care on 1800 200 422. To use the National Relay Service, visit nrchat.nrscall.gov.au/nrs or call 1800 555 660.