



# Aged Care Work Value Case – Nurses Decision

## Provider fact sheet

This fact sheet is to assist Home Care Package (HCP) providers to implement the increase in award wages for registered and enrolled nurses, effective from 1 March 2025.

## Background

The Australian Government is committed to providing funding to support the Aged Care Work Value Case (ACWVC) increases to award wages.

On 6 December 2024, the Fair Work Commission announced its final decision as part of the ACWVC, for further increases to the award wages of registered and enrolled nurses employed in aged care to reflect the value of the work they undertake.

Award wages for registered and enrolled nurses increased on 1 March 2025. With further increases occurring on 1 October 2025 and 1 August 2026.

To support the award wage increases, the government has increased the Home Care Packages (HCP) subsidy and funding for the new Support at Home program, which will replace the HCP Program on 1 July 2025. These increases build on the recent government investment to support the increased award wages for many aged care workers from 1 January 2025.

## Definitions

**Note:** The award wage increases for aged care nurses effective from 1 March 2025 are separate and additional to the award wage increase that came into effect for many aged care workers on 1 January 2025.

To clearly distinguish the two award wage increases:

- any mention of *aged care workers* or *workers* will refer to workers included in the award wage increases that came into effect on 1 January 2025, including:
  - assistants in nursing
  - personal care works
  - home care aged care workers
  - recreational activities officers (lifestyle workers)
  - ancillary staff – including administration staff, drivers, maintenance staff, cleaners.
- any mention of *aged care nurses* or *nurses* will refer to registered and enrolled nurses included in the award wage increases effective from 1 March 2025.

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## What is the Fair Work Commission decision?

The Australian Government is providing funding to support the ACWVC decision for aged care nurses. Many registered and enrolled nurses working in the aged care sector will receive an increase to their award wage, effective from 1 March 2025.

Where you have been paying your registered and enrolled nurses according to the award rate, you will now need to pay them in accordance with the new award rate from 1 March 2025. Additional wage increases will apply from 1 October 2025, and 1 August 2026.

The wage increase is expected to benefit approximately 1,700 registered and enrolled nurses working in in-home aged care. The government recognises that a more skilled and diverse workforce will deliver safe, consistent, high-quality aged care services for care recipients. This starts with fair wages for nurses, a supportive workplace and recognition of the complex, often undervalued work undertaken.

## Who will receive the increase?

These award wage increases apply to the following in the aged care sector:

- registered nurses
- enrolled nurses.

These wage increases apply to workers on the:

- Nurses Award 2020.

## How will the increase be implemented?

To allow providers to fund the award wage increases for aged care nurses without reducing services for care recipients, the government will increase the HCP subsidy.

On 1 July 2025, the HCP Program will transition to the new Support at Home. The government will continue to support the award wage increases for aged care nurses under Support at Home.

The subsidy increases will apply to the basic HCP subsidy and supplements with a workforce component. The HCP subsidy increase will be available from the March 2025 claim.

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.

Effective from 1 March 2025, the basic HCP subsidy rates will increase as follows:

Package level	Current daily HCP subsidy (1 January 2025)	Subsidy from 1 March 2025
Level 1	\$29.28	\$29.31
Level 2	\$51.49	\$51.54
Level 3	\$112.07	\$112.18
Level 4	\$169.90	\$170.07

### Will the subsidy increase be sufficient?

The subsidy increase has been calculated based on what providers spent in 2023-24 on aged care nurses and will be sufficient to ensure almost every care recipient continues to receive the same hours of care from 1 March 2025.

All care recipients' packages will increase to cover the cost of the award wage increase for aged care nurses, as well as other increases in prices. These increases are less than the award wage increases to account for the fact that many care recipients use their package to access goods, equipment, allied health and home modifications, which are not impacted by the wage increase, alongside their direct nursing and personal care services.

### Care and package management caps

Care and package management caps that were implemented on 1 January 2023 will also increase with the subsidy on 1 March 2025.

*Maximum daily prices for care and package management effective from 1 March 2025*

Package level	Daily subsidy	Care management x 20%	Package management x 15%
Level 1	\$29.31	\$5.86	\$4.40
Level 2	\$51.54	\$10.31	\$7.73
Level 3	\$112.18	\$22.44	\$16.83

Package level	Daily subsidy	Care management x 20%	Package management x 15%
Level 4	\$170.07	\$34.01	\$25.51

## When will the award wage increases be implemented?

The changes will take effect from the start of the nurse's first full pay period that starts on or after 1 March 2025. There will be a second increase from the start of their first full pay period starting on or after 1 October 2025, and a third increase from the start of their first full pay period starting on or after 1 August 2026.

More information on the [Aged Care Work Value Case](#) aged care nurses decision is available on the Fair Work Commission website.

## What will providers need to do?

Providers will need to:

- communicate with their nurses and implement these increases to award wages from 1 March 2025
- consult with and gain the consent of care recipients to implement any pricing increases that may affect them.

## Enterprise agreements

Some providers have a separate arrangement for paying their employees, known as an Enterprise Agreement. This arrangement should mean that their nurses are already being paid at least the base pay rate in the applicable award wage. If this rate is not at least the new base pay rate, these providers will need to increase those nurses' base pay rate to the new base pay rate.

More information on [Enterprise Agreements](#) is available on the Fair Work Ombudsman website.

## Communicate with care recipients

Providers may need to adjust pricing models. This may require reasonable increases in charges for care and services delivered by nurses receiving the award wage increase.

A reasonable and justifiable price increase for care and services 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 or purchasing goods to meet the care recipient's assessed needs and goals.

Providers cannot make changes to Home Care Agreements without informed consent and agreement from care recipients. Where a care recipient's prices increase to account for the increased wages, providers must renegotiate Home Care Agreements with that care recipient

and gain mutual consent. This ensures care recipients are adequately informed and understand all the changes and the terms of the proposed agreement.

It is the provider's responsibility to ensure care recipients understand any changes to prices and why these changes are being made.

This will involve:

- Discussing with care recipients how prices for care and services delivered by nurses may need to change, including:
  - what prices are changing
  - why the prices need to change
  - what those prices include
  - when the new prices will start.
- Renegotiating prices with care recipients
- Updating Home Care Agreements
- Updating pricing schedules
- Publishing up-to-date prices on My Aged Care. For support with this process, refer to [My Age Care's tips for HCP providers](#).

We do not consider a notice of changes to be discussion and mutual agreement with the care recipient. Where possible, care recipients should be given a minimum of 14 days.

Find further guidance on [setting](#), [publishing](#) or [charging](#) prices and [updating Home Care Agreements](#).

## Compliance

### Fair Work Ombudsman

The Fair Work Ombudsman is responsible for ensuring compliance with Australian workplace laws and providing education about rights and responsibilities at work.

The Fair Work Ombudsman can also help to resolve workplace issues including by using a range of compliance powers.

Find more information on the Fair Work Ombudsman's approach to [resolving workplace disputes](#) at the workplace level compared to [compliance and enforcement](#).

### Aged Care Quality and Safety Commission

The [Aged Care Quality and Safety Commission](#) (Commission) uses a wide range of regulatory tools to monitor and assess the performance of aged care providers as well as ensuring providers comply with their provider responsibilities under the Aged Care Act 1997. This includes the legislative requirement to adequately consult and gain mutual consent of care recipients to make any changes to Home Care Agreements and prices for the care and services they receive.

If the Commission finds a provider to be non-compliant with their responsibilities, they will progress further compliance or enforcement action.

In all circumstances, the Commission's response is informed by the risk posed to the safety, health, wellbeing and quality of life of care recipients.

Find more information in the Commission's guide on [home services pricing and agreements](#).

## Australian Competition and Consumer Commission

The [Australian Competition and Consumer Commission](#) (ACCC) is an independent Commonwealth statutory authority. Its role is to:

- enforce the [Competition and Consumer Act 2010](#) and a range of additional legislation
- promote competition and fair trading
- regulate national infrastructure for the benefit of all Australians.

The ACCC can investigate and act:

- where businesses mislead care recipients about pricing
- on unfair business practices
- against businesses involved in price fixing and other anti-competitive behaviour.

Find more information on [your obligations to consumers, and how to meet them, as well as your business rights](#).

## Frequently Asked Questions

### Care recipients

#### How will these changes be communicated to care recipients?

- The Department of Health and Aged Care (department) recently wrote to care recipients and their authorised representatives on the ACWVC Stage 3 decision to increase award wages for many aged care workers.
- As not all providers employ registered or enrolled nurses, only those care recipients who receive care from aged care nurses may be required to update their home care agreement.
- It is the provider's responsibility to contact their care recipients and relevant authorised representatives to ensure they understand any changes to pricing and packages and why they are being made.
- To assist these conversations, the department has published a care recipient fact sheet with information on the increases to award wages for nurses and increase to the HCP subsidy rate effective from 1 March 2025. Copies of the fact sheet are available on the [department's website](#).
- If care recipients require further information about the subsidy increase, a list of contacts is provided in the fact sheet including My Aged Care, the Older Persons Advocacy Network (OPAN) and the Commission.

#### What if a care recipient doesn't have enough funds in their package to pay for the increased prices? How will you guarantee there will be no reduction in their services?

- The subsidy increase will be sufficient to cover off most care recipients' increased aged care nursing costs.

- In the rare case that a care recipient's package is exhausted, they have several options:
  - be reassessed for a higher-level package through a Support Plan Review
  - use unspent funds
  - pay privately for additional costs
  - consider alternative options such as residential care.

**My care recipient's package budget does not include care or services delivered by nurses in aged care covered by the wage increase. Will their package subsidy still be increased?**

- Yes, base funding has been increased to ensure enough funds are available to cover wage increases.
- All care recipients must receive care management, which includes a workforce component.

**What happens if a care recipient does not agree to my price increases?**

- If a care recipient does not agree to the proposed changes:
  - you should discuss their concerns and provide them with a detailed rationale of the pricing changes
  - direct the care recipient to the fact sheet sent by the department about these changes
  - encourage them to seek independent advice from OPAN, the Commission, family members or legal advisers.

## Wages

**How will the award wage increase for nurses from 1 October 2025 coincide with the award wage increase for aged care workers from the same date?**

- The award wage will increase for both aged care workers **and** aged care nurses from 1 October 2025.

**If I pay above the award, do I need to increase my nurses' wages?**

- The government's investment to support the ACWVC decision is intended to be passed on for the benefit of nurses working in the aged care sector.
- Higher wages for aged care nurses mean providers can attract and retain staff to relieve workforce pressures.
- Where providers pay above the new award rate through Enterprise Agreements or individual contracts, they will continue to be required to pay their nurses according to these arrangements.
- Find information on [safety net contractual arrangements](#) as explained by the Fair Work Ombudsman.

**Does the government monitor what providers are paying their employees?**

- It is a legal requirement for employers to pay at least according to the minimum pay rates as prescribed by the relevant [modern award](#).
- The department will continue to monitor provider expenditure on wages through the Quarterly Financial Report and program assurance activities and will publish key financial trends from the sector as part of the Quarterly Financial Snapshot.



### **Are on-costs covered?**

- Yes, the subsidy increase was calculated by analysing what providers spent on aged care nurses, including on-costs, in the 2023-24 financial year.

### **Will the funding also cover leave liabilities?**

- A grant program is being established in recognition of the increased value of accrued leave liabilities resulting from the aged care nurses decision.
- This grant will include 2 rounds. The first will align with the planned Tranche 2 grant round for the Stage 3 increases. The second is planned for late 2026, to align with the 1 August 2026 award wage increases.
- Providers can apply for a proportion of the increased leave liabilities for in-scope registered and enrolled nurses covered by the aged care nurses decision.
- Further information about this grant opportunity will be available later in 2025.

### **The outcome of the Annual Wage Review (AWR) will take effect from 1 July 2025, will my employees receive another wage increase?**

- The government is aware the [annual wage review](#) may increase award wages again from 1 July 2025.
- Annual wage review increases are considered as part of regular annual program indexation arrangements.
- Employers will therefore need to financially prepare for another wage increase as determined by the Fair Work Commission.
- It is expected that providers consider the timing of the award wage increases when renegotiating enterprise agreements with their nurses.

### **How long do I have to update prices on My Aged Care?**

- Your business must update My Aged Care as soon as possible.
- Any updates to your pricing information should be applied consistently to your pricing schedule and full price list.
- When updating My Aged Care, you will need to use the [Find the Provider function](#) to ensure the changes you make are visible to the public for all your active outlets/services.
- This is also a good opportunity to review your outlets and deactivate any that are no longer in use or are duplicates.
- For more information on how to update My Aged Care, read the:
  - service and support portal user guide
  - administrator functions guide
  - tips for HCP providers regarding costs.

### **Is there a mandatory timeframe for providers to pass on the award wage increase?**

- Aged care providers are legally required to pay workers at least the minimum award wage under the relevant awards. The award wage increases take effect from the start of the nurse's first full pay period that starts on or after 1 March 2025.
- HCP providers should consult with their scheduling and billing software providers to ensure that their systems will be updated to take into account the wage increase.



- However, if providers do not have their systems in place in time for 1 March 2025 and there is a risk you won't be able to pay your employees on time contact the [Fair Work Ombudsman for specialised advice](#).

### **Will we have to retroactively update nurses' pay by 1 March 2025?**

- No - affected nurses' current award wages and classifications applied until the award wage increase and classification changes on 1 March 2025.
- The changes commence at the start of their first full pay period that starts on or after 1 March 2025.

## **Further resources**

For assistance navigating these changes, the following links may be helpful:

- [Care recipient factsheet](#)
- [Home care agreements for Home Care Packages](#)
- [ACCC - Home care services](#)
- [Fair Work Commission - Aged Care Award decision](#)
- [Fair Work Ombudsman - Get help](#)
- [Aged Care Act 1997](#)
- [User Rights Principles 2014](#)
- [Subscribe to aged care sector newsletters and alerts](#)

## **Contacts**

If you have further questions about the Home Care Packages program, you can contact [agedcareenquiries@health.gov.au](mailto:agedcareenquiries@health.gov.au)

For enquiries about how the award changes relate to specific employees and classifications, please contact the Fair Work Ombudsman either by calling 13 13 94 between 8am – 5:30pm Monday to Friday, or by sending an [online enquiry](#).

In addition, the Fair Work Ombudsman has released pay guides that provides detailed information on wage rates which can be found on the [Aged Care Work Value Case: Changes to awards](#) webpage under the green highlighted section 'Prepare for Changes'.