Changes to care minutes funding and financial reporting webinar – Frequently Asked Questions

Thank you to everyone who attended and submitted their questions in our 1 May webinar. This document provides answers to frequently asked questions from the webinar.

Contents

1. Updates to webinar

The Department of Health, Disability and Ageing (the department) has updated the PowerPoint slides and recording since the webinar held on 1 May 2025.

This change was to:

- fix a couple of minor discrepancies in the supplement rates
- provide greater clarity on the definition of a personal care worker (PCW) and assistant in nursing (AIN) and the inclusion of social and emotional support in care minutes.

For further clarification, refer to Section 2.2 in the Care minutes in residential aged care guide.

2. General care minutes

2.1. How do providers meet 100% of their care minutes targets if they change every month? Are care minutes assessed daily or quarterly and can they be 'banked' into the next month if there is a lag due to staffing?

Each aged care home must meet their care minutes targets as an **average** amount of care time per resident per day across a service over a quarter. The targets are calculated on the 15th of the month in advance of the quarter commencing.

Once targets for a quarter are worked out in accordance with section 9 of the Quality of Care Principles 2014, they do not change even if the resident case-mix changes from month to month during that quarter. Therefore, any changes to the care needs of a provider's resident cohort will not affect the targets after they are calculated. This allows providers to plan their staffing levels to meet their care minutes obligations for the quarter.

As providers are required to meet targets as an average over the quarter, they must report all the worked hours in the relevant registered nurse (RN), enrolled nurse (EN) and personal care worker (PCW) categories in the Quarterly Financial Report (QFR) for the corresponding period only. This means worked hours cannot be carried over to the next quarter.

2.2. Do 'buddy shift' count as care minutes?

Yes. Buddy shifts in which an experienced RN, EN or PCW/AIN accompany a less experienced RN, EN or PCW/AIN, on one or more shifts to provide guidance on the delivery of direct care activities can count as care minutes.

Read Appendix 2 of the Care minutes responsibility guide for an example of a buddy shift.

2.3. Can assistance with and/or escorting residents to medical appoints count as care minutes?

Yes. Engaging with health providers including arrangement for, and supporting, a resident to attend medical appointment is a direct care activity and counts as care minutes.

Read Section 3.1 of the Care minutes responsibility guide for information on the types of activities that counts as care minutes.

2.4. Do the training hours of direct care staff count towards care minutes?

No. Only worked time is counted towards care minutes. This excludes all staff leave, training and unpaid breaks.

2.5. Are endorsed enrolled nurses considered direct care staff and how much of their time can count towards care minutes?

Yes. Endorsed enrolled nurses (EENs) are considered direct care staff and direct care time delivered by these professional, like ENs, can count towards care minutes. Care time by EENs must be reported in the QFR as EN time.

2.6. Given the shortage of RNs in the aged care and health sector, will there be any consideration for ENs who have just as much knowledge to be count towards the RN target?

Providers have been able to meet up to 10% of their RN target with care time delivered by ENs (including EENs) since 1 October 2024.

Note, the department's system will automatically allocate the right amount of EN time towards a provider's RN targets. Providers must continue to report all EN time in the EN category of the QFR, including the EN time that would contribute towards the RN target.

2.7. How do we count time from staff and managers employed in hybrid or dual roles? What evidence do we need to support this?

Where a specified worker is employed in a hybrid or dual role (e.g. performing both personal and/or clinical care activities and non-care activities), only the portion of the worker's time spent on 'direct care' activities can count towards care minutes.

For example, if a staff member that is primarily employed in a managerial role (such as a Clinical Care Manager) spends around 10% of their time on clinical care activities, then only the time they spend providing direct care can be attributed to either the RN or EN care time categories in the QFR.

Evidence to support the staff time attributed to care minutes could include: a job duties statement, and/or a time in motion study where that staff member records their activities for a typical week.

3. Care minutes supplement

3.1. Why is there a difference between the maximum care minutes supplement payable for providers that meet 100% of their total care minutes and RN targets, and for providers of new and transferred services?

There is no difference in the rate of the care minutes supplement for these providers – the amounts shown on the slides during the webinar were incorrect. This has been corrected.

The correct amount is $31.92 (based on the current AN-ACC price of $282.44). This is the maximum amount of funding that the government will deduct from the Base Care Tariff component of providers' Australian National Aged Care Classification (AN-ACC) funding and redirect into the new care minutes supplement.

3.2. 3.2 Will there be any tolerances for newly opened services and/or those that have expanded significantly resulting in a large change in resident occupancy?

The design of the care minutes supplement includes a separate payment category for new services and services that have transferred to another provider. The payment rate will be set at the maximum rate payable (that is – 0.113 National Weighted Activity Unit) until the care minutes performance for these services can be assessed.

For example, if a service opens (or is transferred to a new provider) in September 2025, they do not have a care minute target for October to December 2025. This service would therefore receive the new and transferred services rate of care minutes supplement from April to June 2026. This would mean the service receives full funding for this period.

There are no plans to have tolerances for services that have changes in occupancy for reasons other than because of a transfer or a new service.

3.3. Will providers receive extra funding for delivering above their care minutes targets? What are the incentives to do this?

No. Providers will not receive additional funding for exceeding their care minutes targets. However, this may contribute to achieving a higher staffing star rating.

3.4. Will the care minutes funding policy changes apply to providers operating services in other Modified Monash (MM) locations?

This change will only apply to non-specialised services in metropolitan areas only (MM1). This means it will not apply to services with specialised homeless base care tariff status and those operating in regional, rural and remote areas (MM 2 – 6). Any future changes to this policy to other areas outside of MM1 will be a decision of government.

3.5. Will the care minutes supplement be adjusted month-to-month following reporting?

The care minutes supplement payable will be based on a provider's compliance with their care minutes targets for the quarter commencing 6 months immediately before the payment quarter.

For example, performance against the targets for the October – December quarter will determine the amount of supplement payable for April – June quarter. If eligible, the care minutes supplement rate payable per resident per day, will remain the same each month during that payment quarter and will only change in the following quarter (July – September) if compliance with the relevant targets (January – March) changes.

3.6. Will providers with an average funding above 1.0 NWAU receive a higher supplement amount to match the larger reduction to their funding, or are all providers subject to the same adjustment of $31.92 regardless of their resident case-mix?

Every non-specialised service in MM1 is subject to the same adjustment to their AN-ACC funding irrespective of their resident case-mix.

This approach was chosen because it is far less complex to implement than linking the change to resident case-mix.

3.7. Will there still be a reduction in AN-ACC funding if a service meets their total care minutes but fails to reach their RN minutes target?

Yes. There will be a reduction in funding if the targets for both total care minutes and RN minutes are not met. The amount of reduction will depend on the shortfall in RN minutes.

Read the Changes coming to care minutes factsheet to see the supplement rates payable for each compliance category.

3.8. Given the reporting timeframes, is it likely that some providers will have their funding reduced after they have hit 100% compliance?

Yes. Due to the reporting timeframes, it does mean that the funding impacts of not meeting care minutes will be delayed.

For example, for the December 2025 quarter, the reporting deadline for the QFR is 14 February 2026. This data is then validated and finalised around the end of March 2026. Care minutes supplement funding for April, May and June 2026 will then be based on this validated care minutes data.

Therefore, it is possible for an aged care home to be non-compliant in December 2025 quarter, then for them to return to compliance in the March 2026 quarter, and then in April 2026 they would see a reduction in their funding.

In this instance, the aged care home would be expected to save the funding (from undelivered care minutes) from the December 2025 quarter to ensure that they can continue to meet their care minutes from April to June 2026.

The only alternative to this funding delay, while linking funding to care minutes, would have been to require providers to report their care time monthly. This was ruled out as an option at this time, given the additional reporting burden it would impose on providers. It may be possible to do this in the future once business to government systems are fully developed and adopted across the sector.

4. Allied health and lifestyle

4.1. Will this funding change impact funding for allied health services?

No. The government will continue to fund the delivery of required allied health and lifestyle/recreational services in full through the AN-ACC and this change will not impact funding for the provision of these services.

Providers must ensure they continue provide allied health and lifestyle/recreational services consistent with their obligations under the relevant legislation.

4.2. Can allied health and lifestyle services count towards care minutes? If not, why are providers required to provide these services?

Services provided by allied health workers (including therapy assistants and allied health assistants working under the direction of an allied health professional) and lifestyle activities officers and recreation and diversional therapists **do not** count towards care minutes.

While services provided by these professions cannot contribute towards care minutes, they are an important component of residential aged care. That is why the government continues to fund providers to deliver allied health and lifestyle services through AN-ACC.

Providers have an obligation under the relevant legislation to ensure residents have access to:

- allied health services when they need it, as part of an individual therapy program aimed at maintaining or restoring a resident's ability to perform daily tasks
- recreational activities, participation in the activities and communal recreational equipment.

Providers will continue to have these obligations when the *Aged Care Act 2024* commences, with the specific requirements set out in the service list.

Providers that are not delivering these services may be subject to regulatory action by the Aged Care Quality and Safety Commission.

5. Personal care workers

5.1. Was the change to the definition of a PCW reflected in the legislation?

The changes to the PCW/AIN definition, effective from 1 January 2025:

- reflects changes to the *Aged Care Award 2010* and *Nurses Award 2020*
- intends to clearly distinguish a PCW/AIN from other workers.

This was a policy change to prevent the substitution of PCWs/AINs by other types of workers, such as lifestyle coordinators. This ensures care minutes leads to additional care time for residents in line with the intent of the recommendations of the Royal Commission into Aged Care Quality and Safety.

The definition of a PCW/AIN is set out in the Care minutes responsibility guide.

5.2. How is 'primary' defined for the purposes of the PCW/AIN definition?

For the purposes of the PCW/AIN definition only, primary responsibility means the worker ordinarily spends more than half of their time on delivering personal care services.

Personal care services include:

- assisting with daily living activities
- attending to personal hygiene
- help with physical, administrative and cognitive needs
- assisting with clinical care
- provision of medical treatments and procedures, where qualified to do so.

For more information, see the Care minutes responsibility guide.

6. Social and emotional support

6.1. Can one-on-one social and emotional support contribute towards care minutes?

One-on-one social and emotional support is classified as a direct care activity and can count towards care minutes – but only when delivered by a worker who is a registered nurse (RN), enrolled nurse (EN) or PCW/AIN per the new definition.

It is important to note that social and emotional support is not considered a ‘personal care services’ for the purposes of defining whether a worker is a PCW or AIN only. This distinction is crucial when determining when social and emotional support can be included in care minutes.

6.2. Can one-on-one social and emotional support from a PCW count towards care minutes?

Yes. This is a direct care activity and counts as care minutes as long as the worker meets the definition of a PCW.

The definition is outlined in Section 2.2 of the Care minutes responsibility guide.

7. Audit requirement and Quarterly Financial Report

7.1. Will Business to Government tools include the Quarterly Financial Report?

The Business-to-Government (B2G) project is focused on improving digital connectivity between aged care providers and government systems. In 2026, we are planning to introduce up to 5 new Application Programming Interfaces (APIs) based on sector priorities and emerging needs. Quarterly Financial Reporting has been identified as a potential API.

To stay updated on future APIs and the B2G project, you can register and participate in these forums Digital Transformation Tech Talk webinars and Digital Transformation Sector Partners.

7.2. Will providers be expected to pay an external auditor for the audit of the care minutes performance statement? Will there be any additional funding for this?

The department expects that the external audit will be at an additional cost to the provider. These costs will be captured in 'Care Administration' and inform Independent Health and Aged Care Pricing Authority (IHACPA)'s subsequent pricing advice.

7.3. How much will we have to pay for the external audit of the care minutes statement?

Audit fees can vary in the aged care sector and will change depending on the size of the service and the number of services a provider operates.

The department recommends that providers discuss indicative fees with their auditor.

However, we expect this audit will cost less than the annual audit of a provider’s financial statements. The Care Minutes Performance Statement has a much narrower scope and auditors can rely on their existing financial statement audit work, which would already include a review of data related to care minute delivery, such as labour costs.

7.4. Do these additional reporting and audit requirements relate to all providers or only those operating in MM1?

All residential aged care providers will be required to complete the Care Minute Performance Statement, obtain an external audit over it, and submit in the 2025-26 Aged Care Financial Report (ACFR). This will be an annual requirement going forward.

7.5. Will the department provide a list of approved auditors that can audit these statements?

All registered company auditors, including those a provider has currently engaged to perform financial statement audits, are allowed to complete the care minutes performance audit.

7.6. Will the Care Minute Performance Statement contain the same information providers submit in the QFR and result in the submission of this information twice?

The Care Minute Performance Statement does include information otherwise submitted to the department, aggregating 12 months of QFRs and 24/7 RN reports in one report.

If audit requirements were prescribed without introducing the new Care Minute Performance Statement, providers would need multiple audit opinions, which would increase audit fees and make it more difficult to engage with your auditor. The new statement also makes the process of correcting errors simpler, as historic QFRs won't need to be reopened.

7.7. When are the Care Minute Performance Statement, along with the ACFR, and its audit due?

The audited Care Minutes Performance Statement will be submitted to the ACFR, starting with the 2025-26 ACFR that is due 31 October 2026.

7.8. Given the difficulty in achieving 100% accuracy under the QFR reporting requirements, what is the expected process that would occur if the auditor does not agree with the accuracy of the data?

If the auditor identifies mistakes in the reporting, the department expects that providers work with the auditor to correct these mistakes.

If the providers disagree with the auditor, it is expected the provider give them sufficient evidence to change their opinion.

If the auditor is unable to form a view about the accuracy of the reporting because of the quality of the provider’s record keeping, this will be reflected in the audit report they issue. In this circumstance, the department will review the audit report and reporting.

If the delegate is unable to determine what amount of supplement should be paid, this may impact the provider’s payments.

7.9. Is this new requirement quarterly or annually?

The audit will be conducted annually. The Care Minute Performance Statement, the subject of the audit, includes quarterly care minute performance for each service of the provider.

7.10. The 24/7 report is completed by someone on site whereas the QFR is completed by a central department. Going forward will these need to be done together?

The 24/7 RN reports will need to continue to be submitted as they currently are. The responsibility as to which staff member completes the report is determined by each approved provider, not the department.

The new Care Minute Performance Statement will include 24/7 RN reporting. Providers will need to ensure this part of the report is completed accurately.

7.11. Are providers expected to have the auditors review the QFR every quarter prior to the submission and would the submission dates be extended from what they are currently?

QFRs are not expected to be directly audited. If providers want to work with their auditors prior to submitting their QFR, to avoid subsequent adjustments, that is up to them.

7.12. Will care time reporting assessments still occur?

Care time reporting assessments will still occur, but with significantly with less frequency. Previously, the department committed to all services being audited every 3 years, or 33% coverage. Now, reporting assessments will only be conducted over 10% of services each year, and this should reduce the administrative burden on providers.

7.13. Will government providers need to go through the ASAE Audit and produce a Care Minutes Performance Statement?

Yes. All residential aged care providers will need to obtain an audit opinion.

7.14. When will the care minutes performance template be made available?

A template will be published before the end of June 2025, if not earlier. We will publish further communications and guidance materials on the department's website in the lead up to the reporting period commencing. These will be promoted through our existing newsletter.

7.15. Will we receive adjusted care minute supplement payment +/- based on our Care Minute Performance Statement?

Yes, if a provider reports a different amount of care minutes in their Care Minute Performance Statement from their QFR, the department will perform a reconciliation and adjust the payment if it is no longer correct.