



Aged Care Work Value Case

Provider fact sheet

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

Background

The Australian Government is committed to providing funding to support the Fair Work Commission's (FWC) Aged Care Work Value Case (ACWVC), to increase award wages for aged care workers and registered and enrolled nurses in aged care, to reflect the value of the work they undertake.

As part of the ACWVC, the government has funded a series of wage increases between 2022 and 2025 for aged care workers and nurses covered under the:

- Aged Care Award 2010
- Nurses Award 2020
- Social, Community, Home Care and Disability Services Industry Award (SCHADS) 2010.

To support the increased award wages, the Government has increased the HCP subsidy. These increases build on the government's previous investment to support the award wage increase for aged care workers and nurses.

A further award wage increase will apply for registered and enrolled nurses in aged care, effective from 1 August 2026. The Government will continue to support the award wage increases under Support at Home, which will replace the HCP Program on 1 November 2025.

This fact sheet answers common questions about the award wage increase for aged care workers and nurses to help providers understand how to support their workers and care recipients through this change.

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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 workers and nurses. Many aged care workers and registered and enrolled nurses working in the aged care sector will receive an increase to their award wage, effective from 1 October 2025.

Where you have been paying your employees according to the award rate, you will now need to pay them in accordance with the new award rates from 1 October 2025.

Additional wage increases will apply to aged care nurses from 1 August 2026. The Government will continue to support the award wage increases under Support at Home, which will replace the HCP Program on 1 November 2025.

Who will receive an increase?

Award wage increases apply to the following in the aged care sector:

- assistants in nursing
- personal care workers
- home care workers
- recreational activities officers (lifestyle workers)
- ancillary staff – such as administration staff, drivers, maintenance staff, gardeners, laundry hands, cleaners and food service assistants
- registered nurses
- enrolled nurses.

These wage increases apply to workers on the:

- Aged Care Award 2010

- Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS Award).
- Nurses Award 2020.

How will the increase be implemented?

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

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 October 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 October 2025, the basic HCP subsidy rates will increase as follows:

Package level	Current daily HCP subsidy (1 July 2025)	Subsidy from 1 October 2025
Level 1	\$29.95	\$30.10
Level 2	\$52.67	\$52.93
Level 3	\$114.65	\$115.22
Level 4	\$173.81	\$174.68

Will the subsidy increase be sufficient?

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

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

Package level	Daily subsidy	Care management x 20%	Package management x 15%
Level 1	\$30.10	\$5.86	\$4.40
Level 2	\$52.93	\$10.31	\$7.73
Level 3	\$115.22	\$22.44	\$16.83
Level 4	\$174.68	\$34.01	\$25.51

When will the award wage increases be implemented?

The changes will take effect from the start of the aged care workers' and nurses' first full pay period that starts on or after 1 October 2025.

Award wages for aged care nurses will increase again on 1 August 2026.

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

What will providers need to do?

Providers will need to:

- communicate with their aged care workers and nurses and implement these increases to award wages from 1 October 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 employees 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 aged care workers' and nurses' base pay rates to the new base pay rates.

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 aged care workers and 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 or service 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 or vary the Home Care Agreement 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 or varying Home Care Agreements or service 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, Disability and Ageing (department) has published a care recipient fact sheet with information on the increases to award wages for aged care workers and nurses and the increase to the HCP subsidy rate effective from 1 October 2025. Copies of the fact sheet are available on the [department's website](#).
- Providers are encouraged to direct their care recipients to the available resource on the award wage and subsidy increases.
- 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 worker and 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.

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 published by the department about these changes
 - encourage them to seek independent advice from OPAN, the Commission, family members or legal advisers.

Wages

If I pay above the award, do I need to increase my aged care workers' and nurses' wages?

- The government's investment to support the ACWVC decision is intended to be passed on for the benefit of aged care workers and nurses.
- Higher wages for aged care workers and 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 employees 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 awards](#).
- 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 workers and nurses, including on-costs.

The outcome of the Annual Wage Review (AWR) takes effect from 1 July each calendar year; will my employees receive another wage increase?

- The government is aware the [annual wage review](#) may increase award wages again from 1 July 2026.
- 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 in consideration of the next increase to award wages for aged care nurses on 1 August 2026.

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 aged care workers' and nurse's first full pay period that starts on or after 1 October 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 October 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 aged care workers' and nurses' pay by 1 October 2025?

- No – current aged care workers' and nurses' award wages apply until the award wage increase changes on 1 October 2025.
- The changes commence at the start of their first full pay period that starts on or after 1 October 2025.

How will the subsidy increase, and future increase in August 2026, work with the commencement of the Support at Home program on 1 November 2025?

Future funding considerations, including these award wage increases, have been factored into the new Support at Home program. Participants will automatically receive the increased subsidy rates from 1 August 2026 under the Support at Home program.

More information is available at www.health.gov.au/our-work/support-at-home.

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 subsidy increase, you can contact 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'.