



Changes coming to care minutes funding

The Australian Government is introducing changes to the way it funds the delivery of care minutes for registered aged care homes (homes) in metropolitan areas. This fact sheet explains how it will work and when the changes will commence.

Key information

- Care funding will be linked to the delivery of care minutes in homes in metropolitan areas.
- Homes with specialised homeless funding status and those in regional, rural and remote areas will not be impacted by this change.
- To make sure providers are meeting care minute targets and to ensure funding is used for its intended purpose, impacted homes **not** meeting their targets will receive less than the maximum possible amount of funding from **April 2026**. The funding amount will depend on the homes' care minutes performance from the **October – December quarter of 2025** onwards.

What is the funding change, and how will it work?

Care funding will be linked to the delivery of care minutes through a new care minutes supplement from April 2026.

The [AN-ACC funding model](#) is how the Government funds providers to deliver care, including delivering their care minutes.

Under this funding change, the amount of Base Care Tariff (BCT) funding for MM1 non-specialised homes will change from 0.5 National Weighted Activity Unit (NWAU) to 0.387 NWAU.

The remainder of the 0.113 NWAU in BCT funding will be redirected into a new care minutes supplement. This amounts to \$33.41 per resident per day based on the AN-ACC price from 1 October 2025 of \$295.64.

You will receive some or all of the new care minutes supplement from April 2026, depending on your care minutes performance. You do not need to apply for the care minutes supplement. Services Australia will automatically pay the relevant supplement amount each month over the following 3 months.

You will not see any change in the funding you receive if you meet your care minute targets.

Who will the funding change apply to?

This funding change will apply to homes in metropolitan areas, excluding homes with specialised homeless funding status. There will not be any funding changes to homes operating in regional, rural and remote areas.

Metropolitan areas are defined by homes operating in Monash Model (MM) 1 areas. Over 60% of aged care homes are located in MM1.

Why is this change being introduced?

Although overall average care funding for each day of care has increased substantially to fund increased care minutes, [care time reporting](#) shows a significant proportion of homes are not meeting their care minutes targets. In the July – September quarter of 2024, only 45% of all homes met both their care minute targets. Compliance rates were even lower for homes in metropolitan areas (43%). This is despite consistent feedback from the sector that workforce shortages are most acute in regional, rural and remote areas.

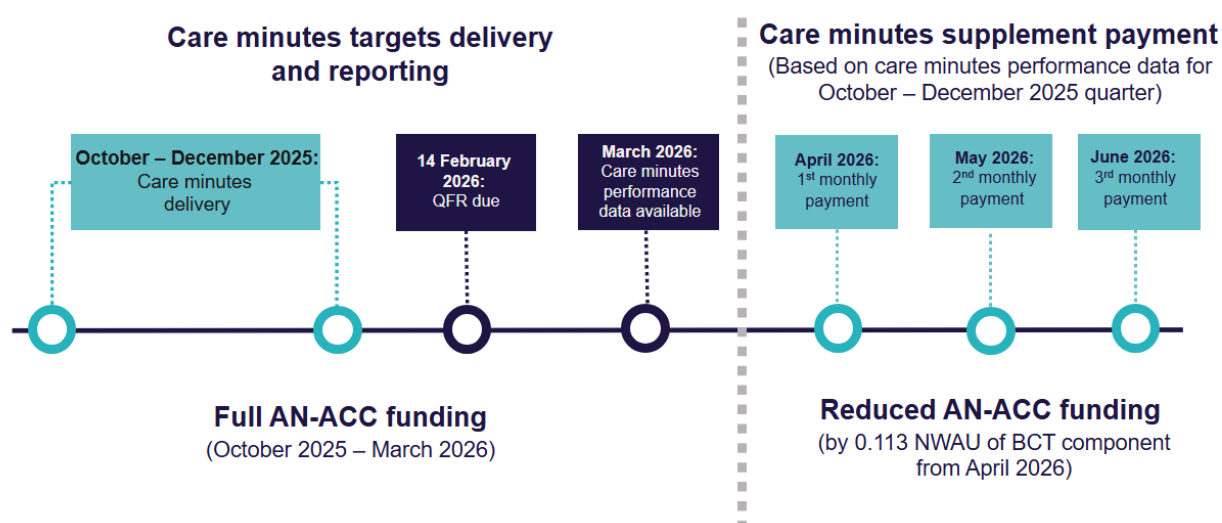
This change aims to lift compliance with care minutes requirements by metropolitan homes to ensure the Government's substantial investment in residential aged care leads to more care for residents as intended. It will also ensure the Government is not providing funding for care minutes not being delivered.

When will the funding change start?

You will begin to see funding changes from April 2026. These will be based on care minutes reported for the October – December quarter 2025 in the Quarterly Financial Report (QFR).

For example, care time data for the October – December 2025 quarter will determine the supplement payable for April, May and June 2026 (see **Illustration 1**).

Illustration 1 – Timeline of changes to care minutes funding



What are the supplement rates?

The new care minutes supplement works on a sliding scale. You will receive more funding the closer you were to delivering your care minutes targets in the previous quarter.

For example, if you meet 100% or more of both your total care minute and registered nurse (RN) care minutes targets you will receive the maximum supplement of \$33.41 per resident per day. This is the full value of your reduced BCT funding.

If you do not meet one or both of your targets, you will not get the maximum possible amount of care minutes supplement and therefore receive less overall funding.

Table 1 (below) outlines the matrix for the supplement rates payable using current AN-ACC pricing, based on the percentage of care minutes delivered in the relevant period.

Your percentage of RN care minutes delivered will include care time from enrolled nurses of up to 10% of your target. This is in addition to actual care time delivered by RNs only.

Table 1 – care minutes supplement

% of Total Care Minutes Delivered	% of RN Care Minutes Delivered							
	<85%	≥85% - <87.5%	≥87.5% - <90%	≥90% - <92.5%	≥92.5% - <95%	≥95% - <97.5%	≥97.5% - <100%	≥100%
<85%	\$0	\$0.59	\$1.18	\$1.77	\$2.37	\$2.66	\$2.96	\$2.96
≥85% - <87.5%	\$5.62	\$6.21	\$6.80	\$7.10	\$7.69	\$8.28	\$8.28	\$8.57
≥87.5% - <90%	\$10.94	\$11.53	\$12.12	\$12.71	\$13.30	\$13.90	\$13.90	\$14.19
≥90% - <92.5%	\$16.56	\$17.15	\$17.74	\$18.33	\$18.92	\$19.51	\$19.51	\$19.81
≥92.5% - <95%	\$22.17	\$22.76	\$23.36	\$23.95	\$24.24	\$24.83	\$24.83	\$25.13
≥95% - <97.5%	\$27.79	\$28.09	\$28.68	\$29.27	\$29.86	\$30.45	\$30.45	\$30.75
≥97.5% - <100%	\$28.38	\$28.97	\$29.56	\$29.86	\$30.45	\$30.75	\$31.04	\$31.34
≥100%	\$30.45	\$31.04	\$31.63	\$32.22	\$32.52	\$32.82	\$33.11	\$33.41
Rate for homes that open, transfer to another provider, return to operational, or changes BCT from 1 Nov 2025*	\$ 33.41							

+ The rates in the table are based on the \$295.64 AN-ACC price (from 1 October 2025)

* Rate applicable for up to 4 quarters (inclusive)

Online estimator and example

You can use the [online care minutes supplement estimator](#) to check the funding you may receive from April 2026. This is an **estimator only**. The actual amount of supplement will vary based on various factors, including the AN-ACC price at the time and your care minutes performance data.

Illustration 2 provides an example of how the care minutes supplement will apply to an eligible home.

Illustration 2 – care minutes supplement applying to a home



	% of RN Care Minutes Delivered							
% of Total Care Minutes Delivered	<85%	≥85% - <87.5%	≥87.5% - <90%	≥90% - <92.5%	≥92.5% - <95%	≥95% - <97.5%	≥97.5% - <100%	≥100%
<85%	\$0	\$0.59	\$1.18	\$1.77	\$2.37	\$2.66	\$2.96	\$2.96
≥85% - <87.5%	\$5.62	\$6.21	\$6.80	\$7.10	\$7.69	\$8.28	\$8.28	\$8.57
≥87.5% - <90%	\$10.94	\$11.53	\$12.12	\$12.71	\$13.30	\$13.90	\$13.90	\$14.19
≥90% - <92.5%	\$16.56	\$17.15	\$17.74	\$18.33	\$18.92	\$19.51	\$19.51	\$19.81
≥92.5% - <95%	\$22.17	\$22.76	\$23.36	\$23.95	\$24.24	\$24.83	\$24.83	\$25.13
≥95% - <97.5%	\$27.79	\$28.09	\$28.68	\$29.27	\$29.86	\$30.45	\$30.45	\$30.75
≥97.5% - <100%	\$28.38	\$28.97	\$29.56	\$29.86	\$30.45	\$30.75	\$31.04	\$31.34
≥100%	\$30.45	\$31.04	\$31.63	\$32.22	\$32.52	\$32.82	\$33.11	\$33.41

In the above example, Mary's Aged Care Home has a target of **220 total care minutes per resident per day** for the October – December 2025 quarter. This includes an RN specific target of **45 minutes per resident per day**.

At the end of the quarter, the provider reports the RN, EN, PCW/AIN labour costs and hours in the relevant categories of the Quarterly Financial Report (QFR) as usual for Mary's Aged Care Home.

Based on this, the department works out the home:

- delivered an average of **218 total care minutes per resident per day**, including an average of **43 RN care minutes** during the quarter.
- met **99.1%** of its total care minutes target and **95.6%** of its RN care minutes target.

The home will receive a supplement of **\$30.75 per resident per day** for the months of April, May and June 2026 based on their care minutes performance for the October – December quarter. This is in addition to the new BCT funding amount of \$114.41 per resident per day that apply from 1 April 2026 (0.387 NWAU multiplied by the AN-ACC price of \$295.64).

Are there exemptions for some homes?

There are no exemptions from these funding changes, however the maximum rate payable (\$33.41 per resident per day) will apply in certain circumstances. This ensures providers are not financially disadvantaged and continue to receive their funding in full until the care minutes performance of their homes can be assessed.

The maximum rate will be paid to providers under the following circumstances:

- A new home becomes operational for the first time
- An existing home is transferred to another provider
- A home goes offline (0 operational beds) and is not operational for a certain period, before becoming operational again. This occurs when a home closes temporarily (exiting all residents from care), generally to undertake a renovation
- A home that had a change to their BCT category (specifically, a home that loses their specialised homeless status and becomes a standard MM1 home).

How long will the maximum rate apply for?

The maximum rate will apply for 4 quarters, inclusive of the quarter when the event occurs.

In the case of transferred homes, it will only apply for 3 quarters immediately after the quarter the transfers take place.

These durations are based on the amount of time it takes to ensure care minutes performance data is available.

Below are scenarios of when the maximum rate will apply and the duration for which it will remain in effect.

Scenario 1

If a home becomes operational on 15 March 2027, the maximum rate will apply from Q3 2026/27 (starting from 15 March 2027) through to end of Q2 2027/28 (ending 31 December 2027). This covers 4 quarters, including the quarter the home was opened. From 1 January 2028, the care minute supplement will be paid based on the total care minutes and RN care minutes delivered to residents in Q1 2027/28 (see **Illustration 3**).

Illustration 3 – maximum rate scenario for home becoming operational



Scenario 2

If a home is transferred to a different provider on 15 March 2027, the home will continue to receive its current care minutes supplement rate until the end of Q3 on 31 March 2027. The maximum rate will then apply for 3 quarters from Q4 2026/27 (starting from 1 April 2027) through to end of Q2 2027/28 (ending 31 December 2027). From 1 January 2028, the care minute supplement will be paid based on the total care minutes and RN care minutes delivered to residents in Q1 2027/28 (see **Illustration 4**).

Illustration 4 – maximum rate scenario for a transferred home



Scenario 3:

If a MM1 aged care home loses its homeless BCT specialisation on 1 January 2027, the maximum rate will apply for Q3 2026/27 (starting from 1 January 2027) through to the end of Q2 2027/28 (ending 31 December 2027). This covers 4 quarters, including the quarter they became a standard MM1 home. From 1 January 2028, the care minute supplement will be paid based on the total care minutes and RN care minutes delivered in Q1 2027/28 (see **Illustration 5**).

Illustration 5 – maximum rate scenario for a home changing BCT



Changes to homes before 1 November 2025

The maximum rate will not apply to any homes that open, transfer or return from being offline before 1 November 2025, which is when the maximum rate rules take effect.

For homes that open, transfer or return from being offline in September and October 2025, the home will have a zero care minutes target for the October – December 2025 (in line with current care minutes arrangements). This means they will receive 100% funding for the April – June 2026 quarter. Funding from July 2026 onwards will be based on care minutes reported in the QFR from the January – March 2026 quarter.

Will there be any impact on funding of other homes such as allied health and lifestyle/recreational services?

No. The Government will continue to fund the delivery of required allied health and lifestyle/recreational services in full through the AN-ACC. Providers must ensure they continue provide allied health and lifestyle/recreational services consistent with their obligations under the relevant legislation.

Additional assurance processes

Starting as part of their 2025-26 Aged Care Financial Report (ACFR), **all** residential aged care providers will be required to prepare and submit a new [Care Minutes Performance Statement](#).

The statement includes information about:

- direct care minutes delivered
- associated labour hours and costs
- RN coverage
- occupied bed days.

All providers must engage a registered company auditor to complete an audit of their Care Minutes Performance Statement.

To better understand new reporting requirements, refer to [Care Minutes Performance Statement guidance](#).