

OFFICIAL

**Aged Care  
QB24-000039****TITLE: WORKER SHORTAGES AND GOVERNMENT PLAN****ISSUE:** The Government's plan to address the aged care workforce shortage

s22

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

[This document may have been modified in the Ministerial Offices (blue/green text). Departmental officers must ensure that only factual content is provided by the Department (black text). No content in blue or green text has been amended nor cleared by the Department of Health and Aged Care.]

## OFFICIAL

**Aged Care  
QB24-000039**

s22

**Key Points:**

- The Government is continuing to invest in building, training and supporting the aged care workforce.
- Better wages are helping to attract more people to work in the sector. Many aged care workers received a well-deserved increase to their minimum award wages in 2023, with the Government investing \$11.3 billion over four years to deliver its commitment to the outcome of stage two of the Fair Work Commission Aged Care Work Value Case.
- The Government has now announced an extra \$3.8 billion to fund the Fair Work Commission Stage 3 decision on further pay rises from 1 January 2025, with many workers receiving a further pay rise from 1 October 2025.
- The Government has invested a further \$88.4 million over three years through the 24-25 Budget to support and develop the aged care workforce.
- This includes:
  - \$21.6 million to extend the Home Care Workforce Support Program with a focus on rural and remote areas, contributing an additional 4000 workers to the workforce.
  - \$57.0 million to continue the following workforce development programs:
    - Aged Care Nursing Clinical Placements program to enable 8000 nursing students to undertake a clinical placement in aged care.
    - Aged Care Transition to Practice Program to support 2,125 nurses to commence their career in aged care.
    - Aged Care Nursing Scholarships program. This will allow 1,050 students access to a scholarship to build their skills and further their career.
    - Aged Care Skills Development Program – this will support an additional 20,000 people to complete the training.
- The Government is also investing in initiatives including fee-free TAFE, more university places, Commonwealth Prac Payments and a new visa pathway to attract new workers and help to build the skills of current workers.

**Key Facts and Figures:**

- The Government's investment in the aged care workforce is paying off.
- The total workforce gap in 2023-24 for the aged care sector is estimated to be 6,890. Departmental analysis shows the workforce gap has been reducing since 2022. This is due to:
  - The impact of the Government's investment in increased wages for the aged care workforce. In 2024-25, this accounts for:
    - 6,800 additional workers in residential aged care, and
    - 10,420 additional workers in home care.

## OFFICIAL

**Aged Care  
QB24-000039**

- Recovery from COVID-19 related impacts on the sector, including the impact of border closures on the supply of workers from overseas.
- The Aged Care Industry Labour Agreement which provides a new pathway for workers from overseas to join the aged care sector. This will allow providers to bring an additional 26,000 qualified direct care workers to the workforce over five years.
- Funding for workforce development programs which has attracted over 13,000 new workers to the home care sector and improved career pathways for nurses.
- The Aged Care Provider Workforce Survey 2023 found an increase in headcount across the aged care workforce, including a more than doubling in the size of the Home Care Packages workforce.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care.
- Quarterly Financial Reporting (QFR) data has shown steady increases in care minutes provided. The sector average is 207.71 total care minutes and 40.44 registered nurse (RN) minutes (in Q4 2023-24), compared to 186.66 minutes in July to September (Q1) 2022-23.

**Sensitivities:**

- Funding for the new targeted Home Care Workforce Support Program is less than half the funding of the initial program. Stakeholders may query why funding has reduced when the wait for home care packages has increased. The workforce gap in home care has reduced substantially over the last two years, and workforce shortages are the most acute in regional, rural and remote areas, which is where the new program will be targeted.
- On 4 July 2024, the Nursing Supply and Demand Study 2023-2035 was published on the Department's website. This Study built a model of the nursing workforce in Australia and presents results for supply and demand out to 2035. This model, definitions and data sources differ from the Aged Care Workforce Model and its outputs.

**MEDIA COVERAGE:**

On Thursday 29 August 2024, an article in The Weekly Source (20-fold increase in agency RNs as residential aged care workforce shrinks: 2023 Workforce Survey) focussed on the results from the 2023 Aged Care Provider Workforce Survey (ACPWS). It reported the increases in agency staff in RAC since the 2020 Aged Care Census and an overall reduction in the RAC workforce since 2020.

The results observed in this data collection are consistent with the trend in Australian Bureau of Statistics Labour Force Survey data which found a decrease of 31% in the number of employees in residential aged care between 2022 and 2023.

OFFICIAL

**Aged Care**  
**QB24-000039**

Also on 29 August 2024, an article from [communitycarereview.com.au](https://communitycarereview.com.au) ([Boost for allied health in home care - Community Care Review](#)) reported that the 2023 Aged Care Provider Workforce Survey results show that 7,100 allied health professionals and assistants were employed in the Home Care Packages Program (HCP), a 90% increase from 3,700 employed in 2020. The article also stated that over a quarter of a million people were working in the home care sector in 2023, including 170,000 in HCP, and 97,900 in the Commonwealth Home Support Programme.

The above two articles are consistent with the results published from the 2023 ACPWS.

The Sunday Age reported on 1 September 2024 (Care reform in doubt due to shortage of nurses), that in relation to the introduction of 44 care minutes, there will be a shortage of nurses every year until 2035. The article cites that 50,232 nurses are in aged care this year, but the government forecasts demand for 55,572 nurses, which is a shortage of 5,340 nurses.

These figures are drawn from Nursing Supply and Demand model and refer to Full Time Equivalent roles. The source data, methodology and assumptions differ from the Aged Care Workforce Model supply and demand gap.

Date last updated by Dept:	30 October 2024	Cleared by Adviser/date:	
Contact Officer: Assistant Secretary	Stephanie Kaiser	Work Phone: s22 [REDACTED]	Mobile Phone: s22 [REDACTED]
Cleared by: First Assistant Secretary	Emily Harper	Work Phone: s22 [REDACTED]	Mobile Phone: s22 [REDACTED]



OFFICIAL

**Aged Care  
QB25-000042****TITLE: WORKER SHORTAGES AND GOVERNMENT PLAN****ISSUE:** The Government's plan to address the aged care workforce shortage

s22

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

[This document may have been modified in the Ministerial Offices (blue/green text). Departmental officers must ensure that only factual content is provided by the Department (black text). No content in blue or green text has been amended nor cleared by the Department of Health and Aged Care.]

OFFICIAL

**Aged Care  
QB25-000042**

s22

**Key Points:**

- The Australian Government is continuing to invest in building, training and supporting the aged care workforce.
- The Australian Government has invested in a range of initiatives to achieve this goal, close the workforce gap, and reduce reliance on agency staff, including \$17.7 billion to support award wage increases for aged care workers, a result of the Fair Work Commission decisions under the Aged Care Work Value Case.
- The Government has invested a further \$88.4 million over three years through the 24-25 Budget to support and develop the aged care workforce.

**Key points:**

- The Government is continuing to invest in building, training and supporting the aged care workforce. A key part of the Government's mission in lifting the standard of aged care in Australia, is to recognise the contribution and value that aged care workers deliver every day.
- To guide this important work, the Government have published the Professional Framework – to build and strengthen the aged care workforce. This Framework provides the strategic direction for the broader workforce-focused actions needed to meet the needs and rights of older people and has been developed in consultation with key stakeholders.
- There are 8 goals identified in the Framework to continue to grow the workforce, including: uplifting pay and conditions, boosting education and training, improving culture, encouraging innovation, increasing career pathways, improving workforce planning, building evidence base and boosting leadership capability.

## OFFICIAL

**Aged Care  
QB25-000042**

- Better wages are helping to attract more people to work in the sector. The Government has invested \$17.7 billion to support award wage increases for aged care workers, a result of the Fair Work Commission decisions under the Aged Care Work Value Case, including:
  - \$2.6 billion for further award wage increases for aged care nurses from 1 March 2025.
  - \$3.8 billion for the award wage increases from 1 January 2025 (Stage 3).
  - \$11.3 billion for the 15% award wage increases, which commenced 30 June 2023 (Stage 2).
- The Government has invested a further \$88.4 million over three years through the 2024-25 Budget to support and develop the aged care workforce.
- This includes:
  - \$21.6 million to extend the Home Care Workforce Support Program with a focus on rural and remote areas, contributing an additional 4,000 workers to the workforce.
  - \$57.0 million to continue the following workforce development programs:
    - Aged Care Nursing Clinical Placements program to enable 8000 nursing students to undertake a clinical placement in aged care.
    - Aged Care Transition to Practice Program to support 2,125 nurses to commence their career in aged care.
    - Aged Care Nursing Scholarships program. This will allow 1,050 students access to a scholarship to build their skills and further their career.
    - Aged Care Skills Development Program – this will support an additional 20,000 people to complete the training.
- The Government is also investing in initiatives including fee-free TAFE, more university places, Commonwealth Prac Payments and a new visa pathway to attract new workers and help to build the skills of current workers.

**Key Facts and Figures:**

- The Government's investment in the aged care workforce is paying off.
- The total workforce gap in 2024-25 for the aged care sector is estimated to be 6,890. Departmental analysis shows the workforce gap has been reducing since 2022. This is due to:
  - The impact of the Government's investment in increased wages for the aged care workforce. In 2024-25, this accounts for:

## OFFICIAL

**Aged Care  
QB25-000042**

- 6,800 additional workers in residential aged care, and
- 10,420 additional workers in home care.
- Recovery from COVID-19 related impacts on the sector, including the impact of border closures on the supply of workers from overseas.
- The Aged Care Industry Labour Agreement which provides a new pathway for workers from overseas to join the aged care sector. This will allow providers to bring an additional 30,000 qualified direct care workers to the workforce over five years.
- Funding for workforce development programs which has attracted over 13,000 new workers to the home care sector and improved career pathways for nurses.
- The Aged Care Provider Workforce Survey 2023 found an increase in headcount across the aged care workforce since 2020, including a more than doubling in the size of the Home Care Packages workforce.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care.
- The Aged Care Worker Survey 2024, found that 65% respondents were satisfied working in aged care.
- Quarterly Financial Reporting (QFR) data has shown steady increases in care minutes provided. The sector average is 209.82 total care minutes and 42.41 registered nurse (RN) minutes (in Q1 2024-25), compared with 186.75 total minutes in July to September (Q1 2022-23).

**Sensitivities:**

- On 4 July 2024, the Nursing Supply and Demand Study 2023-2035 was published on the Department's website. This Study built a model of the nursing workforce in Australia and presents results for supply and demand out to 2035. This model, definitions and data sources differ from the Aged Care Workforce Model and its outputs.
- The findings from the Aged Care Worker Survey, 2024 do not represent the total direct care workforce, only those who participated in the survey.

**MEDIA COVERAGE**

NIL

OFFICIAL

**Aged Care  
QB25-000042**

Date last updated by Dept:	26 March 2025	Cleared by Adviser/date:	
Contact Officer: A/g Assistant Secretary	Lauren Hendriks	Work Phone: s22	Mobile Phone: s22
Cleared by: First Assistant Secretary	Emily Harper	Work Phone: s22	Mobile Phone: s22

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

## **ISSUE: WORKER SHORTAGES AND GOVERNMENT PLAN**

### Topline response:

- Government is continuing to invest in building, training and supporting the aged care workforce.
- Since 2023, \$17.7 billion has been committed to support increases to award wages for many aged care workers.
- A further \$88.4 million over three years has been invested to develop the aged care workforce.

### **Key Points**

- The Government is continuing to invest in building, training and supporting the aged care workforce. A key part of the Government's mission in lifting the standard of aged care in Australia, is to recognise the contribution and value that aged care workers deliver every day.
- Better wages are helping to attract more people to work in the sector. The Government has invested \$17.7 billion to support award wage increases for aged care workers, a result of the Fair Work Commission decisions under the Aged Care Work Value Case.
- The Government has invested a further \$88.4 million over three years through the 2024-25 Budget to support and develop the aged care workforce. This includes:
  - \$21.6 million for the Regional, Rural and Remote Home Care Workforce Support Program which focuses on rural and remote areas with acute workforce needs.
  - \$57.0 million to continue workforce development programs supporting career development for aged care nurses.
- The Government is also investing in initiatives including Fee-Free TAFE, more university places, Commonwealth Prac Payments and a new visa pathway to attract new workers and help to build the skills of current workers.
- These initiatives are driving further growth in the aged care workforce.

### **Background**

- There has been significant growth of the aged care workforce over recent years.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care roles.
- Quarterly Financial Reporting data has also shown steady increases in care minutes, averaging 212.90 total care minutes and 42.87 Registered Nurse

OFFICIAL

**Aged Care  
QB25-000120**

minutes in the June quarter, compared with 201.93 total care minutes and 38.76 RN minutes in the December quarter.

- Results from the 2023 Aged Care Provider Workforce Survey shows there has been a 25% increase in worker headcount across Residential Aged Care, Home Care Packages and the Commonwealth Home Support Programme between 2020 and 2023.
- The Government has published the *Professional FrameWork – to build and strengthen the aged care workforce*. Developed with stakeholder input, it sets the strategic direction for workforce actions that support the needs and rights of older people.

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

OFFICIAL

**Aged Care  
QB25-000120**

---- COVER PAGE ----

Date last updated by Dept:	15 July 2025	Cleared by Adviser/date:	
Contact Officer: Assistant Secretary	Lauren Hendriks	Work Phone: §22	Mobile Phone: §22
Cleared by: First Assistant Secretary	Emily Harper	Work Phone: §22	Mobile Phone: §22

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing



## OFFICIAL

**Senate Committee: Community Affairs Committee**  
**Supplementary Budget Estimates 2024-2025**  
**Outcome: 3 - Ageing and Aged Care**

## Workforce Strategy

**BUDGET**

	2023-24 (Actual) (\$m)	2024-25 (Estimate) (\$m)	2025-26 (Estimate) (\$m)	2026-27 (Estimate) (\$m)	2027-28 (Estimate) (\$m)	Total 2024-25 to 2027-28 (\$m)
<b>Program</b>	<b>19.58</b>	<b>27.5</b>	<b>31.8</b>	<b>28.9</b>	<b>0.2</b>	<b>88.4</b>
<b>Annual increase in spend</b>	<b>-</b>	<b>7.92</b>	<b>4.3</b>	<b>-2.9</b>	<b>-28.7</b>	
<b>Growth (%)</b>	<b>0</b>	<b>40%</b>	<b>16%</b>	<b>-9%</b>	<b>-99%</b>	<b>-</b>

**KEY POINTS****The workforce gap is closing**

- The total workforce gap in 2024-25 for the aged care sector is 6,890. See table 1 for more detail.
- Departmental analysis shows the workforce gap has been reducing since 2022. This is due to:
  - The impact of the Government's investment in increased wages for the aged care workforce. In 2024-25, this accounts for:
    - 6,800 additional workers in residential aged care, and
    - 10,420 additional workers in home care.
  - Recovery from COVID-19 related impacts on the sector, including the impact of border closures on the supply of workers from overseas.
  - The Aged Care Industry Labour Agreement which provides a new pathway for workers from overseas to join the aged care sector. This will allow providers to bring an additional 26,000 qualified direct care workers to the workforce over five years.
- The Aged Care Provider Workforce Survey 2023 found an increase in headcount across the aged care workforce, including a more than doubling in the size of the Home Care Packages workforce.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care.
- Quarterly Financial Reporting (QFR) data has shown steady increases in care minutes. The sector average is 207.71 total care minutes and 40.44 registered nurse (RN) minutes (in Q4 2023-24), compared to 186.66 minutes in July to September (Q1) 2022-23.

**Remaining challenges**

- Providers continue to report challenges attracting and retaining the workforce they need. These challenges are particularly acute in regional and rural areas.
- These challenges can result in a reliance on agency staff to meet care requirements.
- Analysis of Quarterly Financial Reporting (QFR) data shows that while total agency costs has decreased by 2.5 percentage points in quarter 3, 2023-24 compared to a year prior, agency costs for registered nurses and enrolled nurses increased over this same period (up 1.2 percentage points and 0.7 percentage points respectively).
- The Department of Health and Aged Care will continue to monitor agency usage and take additional action, if required.

Contact Officer:	Emily Harper	Deputy Secretary Clearing Officer:	Michael Lye	Clearance: 23 October 2024
Mobile No:	s22	Mobile No:	s22	
Division:	Ageing and Aged Care   Market and Workforce			

## OFFICIAL

**Table 1. Direct Care workforce gap in Residential Aged Care and Home Care in 2024-25**

Residential Aged Care	
Total gap	1,820
- RN gap	- 1,490
Home care	
Total gap	5,070
Total Aged care sector	
Total gap	6,890

Notes: Direct care workers include Registered Nurses (RNs), Nurse Practitioners (NPs), Enrolled Nurses (ENs) and Personal Care Workers (PCWs). Home care includes Home Care Packages (HCP) and Commonwealth Home Support Program (CHSP).

**Government investment in the aged care workforce is closing the workforce gap**

- The Government is taking action to build a valued, skilled, and supported workforce that meets the needs and rights of older people.
- The Government has invested in a range of initiatives to achieve this goal, close the workforce gap, and reduce reliance on agency staff:
  - Over \$15 billion to support award wage increases for aged care workers, a result of the FWC decisions under the Aged Care Work Value Case.
    - \$11.3 billion to provide a 15% award wage increase for direct care workers, recreational activity officers, head chefs and cooks, which commenced 30 June 2023 (Stage 2 decision).
    - \$3.8 billion for award wage increases for many aged care workers from 1 January 2025 (Stage 3 decision).
- As part of the 2024-25 Budget the Government has invested \$88.4 million over four years. This funding will allow the continued delivery of workforce development programs, including to provide better career opportunities for nurses and attracting and supporting workers and providers in regional, rural, and remote regions with acute workforce shortages. This includes:
  - Aged Care Nursing Clinical Placements Program to enable up to 8,000 nursing students to undertake a clinical placement in aged care.
  - Aged Care Transition to Practice Program to support 2,125 nurses to commence their career in aged care.
  - Aged Care Nursing Scholarships Program to allow 1,050 students access to a scholarship to build their skills and further their career.
  - Aged Care Skills Development Program to support an additional 20,000 people to complete training.
  - Regional, Rural and Remote Home Care Workforce Support Program that will provide targeted support to build the home care workforce in regional, rural, and remote locations where workforce shortages are the most acute. This funding will enable the recruitment of up to 4,000 new personal care workers in these areas.
- This investment will build on previous successful programs that have attracted almost 16,000 workers to the aged care sector between 2021 and June 2024.
- Between January 2023 and June 2024, Fee-Free TAFE has supported over 131,300 enrolments in care and support sector courses (25% of total enrolments).

## OFFICIAL

**Senate Committee: Community Affairs Committee**  
**Additional Estimates 2024-2025**  
**Outcome: 3 - Ageing and Aged Care**

## Workforce Strategy

**BUDGET**

	2023-24 (Actual) (\$m)	2024-25 (Estimate) (\$m)	2025-26 (Estimate) (\$m)	2026-27 (Estimate) (\$m)	2027-28 (Estimate) (\$m)	Total 2023-24 to 2027-28 (\$m)
<b>Program</b>	<b>19.58</b>	<b>27.5</b>	<b>31.8</b>	<b>28.9</b>	<b>0.2</b>	<b>88.4</b>
<b>Annual increase in spend</b>	-	<b>7.92</b>	<b>4.3</b>	<b>-2.9</b>	<b>-28.7</b>	
<b>Growth (%)</b>	<b>0</b>	<b>40%</b>	<b>16%</b>	<b>-9%</b>	<b>-99%</b>	-

**KEY POINTS****The workforce gap is closing**

- There has been significant growth of the aged care workforce over recent years.
- There has been a 25% increase in worker headcount across residential aged care, Home Care Packages and the Commonwealth Home Support Programme between 2020 and 2023.
- The total workforce gap in 2024-25 for the aged care sector is estimated to be 6,890.
- Analysis shows the workforce gap has been reducing since 2022, due to:
  - An increase in workforce supply:
    - 33% increase in Registered Nurses
    - 16% increase in Enrolled Nurses
    - 19% increase in Personal Care Workers
  - The impact of government investment in increased wages for the aged care workforce will bring an additional 10,000 workers a year to the aged care sector.
  - Recovery from COVID-19 related impacts on the sector, including the impact of border closures on the supply of workers from overseas.
  - The Aged Care Industry Labour Agreement which provides a new pathway for workers from overseas to join the aged care sector. This will allow an additional 30,000 qualified direct care workers to enter the workforce over 5 years.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care.
- Quarterly Financial Reporting data has shown steady increases in care minutes, averaging 209.82 total care minutes and 42.41 Registered Nurse minutes, compared to 186.75 total minutes in July to September 2022.

**Remaining challenges**

- Providers continue to report challenges attracting and retaining a suitable workforce, particularly acute in regional and rural areas.
- These challenges can result in a reliance on agency staff to meet care requirements.
- Financial data shows that total agency costs have decreased by 2 percentage points in Q1 2024-25 compared to a year prior. This decrease is for all staff roles (RNs, ENs and PCWs). The department will continue to monitor agency usage and take additional action if required.

Contact Officer:	Emily Harper	Deputy Secretary Clearing Officer:	Sonja Stewart	Clearance: 13 February 2025
Mobile No:	s22	Mobile No:	s22	
Division:	Ageing and Aged Care   Market and Workforce			



## OFFICIAL

**Table 1. Direct Care workforce gap in Residential Aged Care and Home Care in 2024-25**

Residential Aged Care	
Total gap	1,820
RN gap	1,490
Home Care	
Total gap	5,070
Total aged care sector	
Total gap	6,890

Notes: Direct care workers include Registered Nurses (RNs), Nurse Practitioners (NPs), Enrolled Nurses (ENs) and Personal Care Workers (PCWs). Home care includes Home Care Packages (HCP) and Commonwealth Home Support Program (CHSP).

**Government investment in the aged care workforce is closing the workforce gap**

- The government is continuing to invest in building, training and supporting the aged care workforce. A key part of the strategy in lifting the standard of aged care in Australia is to recognise the contribution and value that aged care workers deliver every day.
- To guide this, the government has published the *Professional Framework* – to build and strengthen the aged care workforce. This provides strategic direction for the workforce actions needed to meet the needs and rights of older people and has been developed in consultation with key stakeholders.
- The government has invested in a range of initiatives to achieve this goal:
  - Over \$15 billion to support award wage increases for aged care workers, a result of the FWC decisions under the Aged Care Work Value Case.
    - \$11.3 billion to provide a 15% award wage increase for direct care workers, recreational activity officers, head chefs and cooks, which commenced 30 June 2023 (Stage 2 decision).
    - \$3.8 billion for award wage increases for many aged care workers from 1 January 2025 (Stage 3 decision).
- As part of the 2024-25 Budget, the government has invested \$88.4 million over 4 years to allow the continued delivery of workforce development programs, including to provide better career opportunities for nurses and attracting and supporting workers and providers in regional, rural, and remote regions with acute workforce shortages. This includes:
  - Aged Care Nursing Clinical Placements Program enabling up to 8,000 nursing students to undertake a clinical placement in aged care.
  - Aged Care Transition to Practice Program to support 2,125 nurses to commence their career in aged care.
  - Aged Care Nursing Scholarships Program to allow 1,050 students access to a scholarship to build their skills and further their career.
  - Aged Care Skills Development Program to support an additional 20,000 people to complete training.
  - Regional, Rural and Remote Home Care Workforce Support Program that will provide targeted support to build the home care workforce in regional, rural, and remote locations where workforce shortages are the most acute. This funding will enable the recruitment of up to 4,000 new personal care workers in these areas.
- Investment will build on previous successful programs that have attracted almost 16,000 workers to the aged care sector between 2021 and June 2024.
- Between January 2023 and June 2024, Fee-Free TAFE has supported over 508,000 student enrolments, including 131,000 enrolments in the care and support sector (25% of total).

## OFFICIAL

**Senate Committee: Community Affairs Committee**  
**Budget Estimates 2025-2026**  
**Outcome: 3 - Ageing and Aged Care**

## Workforce Strategy

**BUDGET**

	2023-24 (Actual) (\$m)	2024-25 (Estimate) (\$m)	2025-26 (Estimate) (\$m)	2026-27 (Estimate) (\$m)	2027-28 (Estimate) (\$m)	Total 2023-24 to 2027-28 (\$m)
<b>Program</b>	<b>19.58</b>	<b>27.5</b>	<b>31.8</b>	<b>28.9</b>	<b>0.2</b>	<b>88.4</b>
<b>Annual increase in spend</b>	-	<b>7.92</b>	<b>4.3</b>	<b>-2.9</b>	<b>-28.7</b>	
<b>Growth (%)</b>	<b>0</b>	<b>40%</b>	<b>16%</b>	<b>-9%</b>	<b>-99%</b>	-

**KEY POINTS****The workforce gap is closing**

- There has been significant growth of the aged care workforce over recent years.
- There has been a 25% increase in worker headcount across residential aged care, Home Care Packages and the Commonwealth Home Support Programme between 2020 and 2023.
- The total workforce gap in 2024-25 for the aged care sector is estimated to be 6,890.
- Analysis shows the workforce gap has been reducing since 2022, due to:
  - An increase in workforce supply:
    - 33% increase in Registered Nurses
    - 16% increase in Enrolled Nurses
    - 19% increase in Personal Care Workers
  - The impact of government investment in increased wages for the aged care workforce will bring an additional 10,000 workers a year to the aged care sector.
  - Recovery from COVID-19 related impacts on the sector, including the impact of border closures on the supply of workers from overseas.
  - The Aged Care Industry Labour Agreement which provides a new pathway for workers from overseas to join the aged care sector. This will allow an additional 30,000 qualified direct care workers to enter the workforce over 5 years.
- In 2024-25, it is estimated there are 456,000 aged care workers, with 337,000 in direct care.
- Quarterly Financial Reporting data has shown steady increases in care minutes, averaging 209.82 total care minutes and 42.41 Registered Nurse minutes in July to September 2024, compared to 186.75 total minutes in July to September 2022.

Contact Officer:	Emily Harper	Deputy Secretary Clearing Officer:	Sonja Stewart	Clearance: 13 March 2025
Mobile No:	s22	Mobile No:	s22	
Division:	Ageing and Aged Care   Market and Workforce			



## OFFICIAL

**Remaining challenges**

- Providers continue to report challenges attracting and retaining a suitable workforce, particularly acute in regional and rural areas.
- These challenges can result in a reliance on agency staff to meet care requirements.
- Financial data shows that total agency costs have decreased by 2 percentage points in Q1 2024-25 compared to a year prior. This decrease is for RNs, ENs and PCWs. The department will continue to monitor agency usage and take additional action if required.

**Table 1. Direct Care workforce gap in Residential Aged Care and Home Care in 2024-25**

Residential Aged Care	
Total gap	1,820
RN gap	1,490
Home Care	
Total gap	5,070
Total aged care sector	
Total gap	6,890

Notes: Direct care workers include Registered Nurses (RNs), Nurse Practitioners (NPs), Enrolled Nurses (ENs) and Personal Care Workers (PCWs). Home care includes Home Care Packages (HCP) and Commonwealth Home Support Program (CHSP).

**Government investment in the aged care workforce is closing the workforce gap**

- The government is continuing to invest in building, training and supporting the aged care workforce. A key part of the strategy in lifting the standard of aged care in Australia is to recognise the contribution and value that aged care workers deliver every day.
- To guide this, the government has published the *Professional Framework* – to build and strengthen the aged care workforce. This provides strategic direction for the workforce actions needed to meet the needs and rights of older people and has been developed in consultation with key stakeholders.
- The government has invested in a range of initiatives to achieve this goal:
  - Over \$17.7 billion to support award wage increases for aged care workers, a result of the FWC decisions under the Aged Care Work Value Case.
    - \$2.6 billion for further award wage increases for many aged care nurses from 1 March 2025.
    - 3.8 billion for award wage increases for many aged care workers from 1 January 2025 (Stage 3 decision).
    - \$11.3 billion to provide a 15% award wage increase for direct care workers, recreational activity officers, head chefs and cooks, which commenced 30 June 2023 (Stage 2 decision).

OFFICIAL

- As part of the 2024-25 Budget, the government has invested \$88.4 million over 4 years to allow the continued delivery of workforce development programs, including to provide better career opportunities for nurses and attracting and supporting workers and providers in regional, rural, and remote regions with acute workforce shortages. This includes:
  - Aged Care Nursing Clinical Placements Program enabling up to 8,000 nursing students to undertake a clinical placement in aged care.
  - Aged Care Transition to Practice Program to support 2,125 nurses to commence their career in aged care.
  - Aged Care Nursing Scholarships Program to allow 1,050 students access to a scholarship to build their skills and further their career.
  - Aged Care Skills Development Program to support an additional 20,000 people to complete training.
  - Regional, Rural and Remote Home Care Workforce Support Program that will provide targeted support to build the home care workforce with up to 4,000 new personal care workers to be employed in locations where workforce shortages are the most acute.
- Investment will build on previous successful programs that have attracted almost 16,000 workers to the aged care sector between 2021 and June 2024.
- Between January 2023 and September 2024, Fee-Free TAFE has supported over 568,400 student enrolments, including 150,000 enrolments in the care and support sector (26% of total).

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

# Aged Care Workforce Model updates – 2024

## Recommendations:

NOTE that the Aged Care Workforce Model has been updated and generally the workforce gaps are smaller when compared with the previous iteration.

NOTE that a new baseline supply figure for the aged care workforce for FY 2024-25, is 424,000 which replaces the 380,000 figure previously used.

NOTE that the figures in the Model are inclusive of the supply from the Fair Work Commission stage 2 decision.

NOTE that the model has been updated with the headcounts derived from the 2023 Aged Care Provider Workforce Survey (ACPWS) as well as revised policy assumptions.

NOTE the agreed rounding approach, that: the total workforce gap figures are rounded to nearest 10.

## Purpose

This paper outlines the updates to the Aged Care Workforce Model (the Model), which was developed in 2021 to provide estimates on the supply, demand and workforce gap in the aged care workforce over the next 25 years, taking into account the estimated impact of aged care policies.

Note that in the Model:

- the workforce gap is calculated by: aged care workforce supply – aged care workforce demand
- the workforce for Home Care Packages (HCP) and the Commonwealth Home Support Programme (CHSP) are combined; and
- modelling only considers the direct care workforce including RNs (and NPs), Enrolled Nurses (ENs) and Personal Care Workers (PCWs).

## 2024 Aged Care Workforce Model key figures and comparisons

- Table 1 below shows the aged care workforce gap from the 2024 model. Table 2 shows the workforce gap from the previous iteration of the model (last update included data from QFR Q2 FY2023-24).
- The direct care workforce gap in 2024-25 is:
  - 1,820 in residential aged care. This gap has decreased 90% compared to previous modelling.
  - 5,070 in home care. This gap has decreased 68% compared to previous modelling.
  - 6,880 in residential and home care combined. This gap has decreased 80% compared to previous modelling.
- The direct care workforce gap for the five years from 2024-25 to 2028-29 is calculated as:

$$\text{Five year gap} = 2028-29 (\text{supply} + \text{workforce gap}) - 2024-25 \text{ supply}$$

- 12,390 in residential aged care. This gap has decreased 40% compared to previous modelling.
- 35,740 in home care. This gap has decreased 7% compared to previous modelling.
- 48,130 in residential and home care combined. This gap has decreased 19% compared to previous modelling.
- The RN gap over five years from 2024-25 to 2028-29 is 3,250.



- In 2024-25, the new workforce gap for RNs in RAC is 1,490 compared to a gap of 2,370 in the previous model. This is a difference of 870 RNs and translates to a 37% reduction in the workforce gap for RNs.
- The workforce gaps have decreased between iterations of the Model due to the additional workforce supply measured in the 2023 ACPWS compared to the projections and the incorporation of the FWC impacts.
  - The estimated supply of workers in RAC and HC/CHSP from the 2023 ACPWS are 26,550 and 10,710 higher than the previous projections respectively.
  - The FWC wage increase represents additional 6,840 direct care workers in RAC and 10,420 direct care workers in HC/CHSP in 2024-25.
- Tables 3 & 4 below outlines the workforce supply. Table 4 has previously been externally distributed in response to Questions on Notice.
- The department has previously used a national estimate of workforce supply of 380,000. Given the updates from the modelling, this should be updated to 424,000 in FY 2024-25.
- Table 5 shows how this figure will increase over time. This is not the same number from the total workforce from the 2023 ACPWS because this is a de-duplicated number, that is, a statistical process has been applied to ensure no double counting of individuals that may work in multiple jobs and it more accurately represents the number of individuals working in the aged care workforce. The ACPWS figures contributed to the aged care workforce model starting stock.

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

**Table 1: 2024 Aged Care Workforce gap modelled estimates by Direct Care Workers, 2023-24 to 2031-32**

RAC estimates: incorporates care minutes data QFR Q2 2023-24

Workforce Gap (Demand minus Supply)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	2,201	1,492	937	833	952	1,435	2,128	2,670	3,647
ENs	-1,205	-1,134	-1,396	-1,486	-1,491	-1,364	-1,167	-1,034	-740
PCWs	-890	1,456	445	670	1,287	2,803	4,748	7,342	10,918
<b>Total of Direct Care Workers</b>	<b>106</b>	<b>1,814</b>	<b>-14</b>	<b>17</b>	<b>748</b>	<b>2,874</b>	<b>5,709</b>	<b>8,978</b>	<b>13,825</b>
<b>Home Care and CHSP</b>									
RNs+NPs	107	268	425	606	817	1,025	1,230	1,367	1,508
ENs	70	108	148	199	258	318	377	412	450
PCWs	1,229	4,691	8,004	11,292	14,778	17,753	20,346	23,159	25,486
<b>Total of Direct Care Workers</b>	<b>1,406</b>	<b>5,067</b>	<b>8,577</b>	<b>12,097</b>	<b>15,853</b>	<b>19,095</b>	<b>21,953</b>	<b>24,939</b>	<b>27,444</b>

**Table 2: Old Aged Care Workforce gap modelled estimates by Direct Care Workers, 2023-24 to 2031-32**

RAC estimates: incorporates care minutes data QFR Q2 2023-24

Workforce Gap (Demand minus Supply)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	2,408	2,365	1,791	2,189	2,979	3,465	4,395	4,928	6,063
ENs	-1,505	5,331	5,338	5,712	6,471	6,736	7,157	7,275	7,832
PCWs	5,233	10,717	9,609	12,398	15,941	17,928	21,301	24,738	29,754
<b>Total of Direct Care Workers</b>	<b>6,136</b>	<b>18,413</b>	<b>16,738</b>	<b>20,299</b>	<b>25,391</b>	<b>28,129</b>	<b>32,853</b>	<b>36,941</b>	<b>43,649</b>
<b>Home Care and CHSP</b>									
RNs+NPs	1,227	1,041	924	724	776	829	646	787	898
ENs	338	316	290	230	223	233	193	247	270
PCWs	21,033	14,488	22,428	20,343	21,512	21,475	18,749	20,553	22,800
<b>Total of Direct Care Workers</b>	<b>22,597</b>	<b>15,844</b>	<b>23,642</b>	<b>21,297</b>	<b>22,511</b>	<b>22,537</b>	<b>19,588</b>	<b>21,587</b>	<b>23,968</b>

Table 3: 2024 Estimated Workforce Supply (Headcount) for Residential Aged Care and Home Care

Aged Care Workforce Supply	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	35,745	36,193	36,644	37,097	37,550	38,004	38,458	38,913	39,367
ENs	15,612	15,806	16,002	16,198	16,396	16,594	16,792	16,990	17,188
PCWs	143,843	145,553	147,274	149,001	150,733	152,467	154,203	155,940	157,677
<b>Total of Direct Care Workers</b>	<b>195,200</b>	<b>197,553</b>	<b>199,920</b>	<b>202,297</b>	<b>204,679</b>	<b>207,065</b>	<b>209,453</b>	<b>211,842</b>	<b>214,233</b>
<b>Home Care and CHSP</b>									
RNs+NPs	6,507	6,752	6,998	7,244	7,489	7,735	7,980	8,226	8,472
ENs	1,966	2,034	2,103	2,171	2,240	2,308	2,377	2,445	2,513
PCWs	110,043	113,878	117,726	121,575	125,423	129,271	133,119	136,967	140,815
<b>Total of Direct Care Workers</b>	<b>118,516</b>	<b>122,665</b>	<b>126,827</b>	<b>130,990</b>	<b>135,152</b>	<b>139,314</b>	<b>143,476</b>	<b>147,638</b>	<b>151,800</b>

Table 4: Old Estimated Workforce Supply (Headcount) for Residential Aged Care and Home Care

Aged Care Workforce Supply	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	28,382	28,783	29,178	29,572	29,965	30,357	30,750	31,143	31,536
ENs	14,148	14,378	14,603	14,826	15,049	15,272	15,494	15,716	15,939
PCWs	126,078	127,838	129,567	131,287	133,004	134,720	136,437	138,153	139,869
<b>Total of direct care workers</b>	<b>168,608</b>	<b>170,999</b>	<b>173,348</b>	<b>175,685</b>	<b>178,018</b>	<b>180,349</b>	<b>182,681</b>	<b>185,012</b>	<b>187,344</b>
All aged care workers in RAC	239,912	243,315	246,656	249,980	253,298	256,614	259,930	263,246	266,562
<b>Home Care and CHSP combined</b>									
RNs+NPs	6,750	6,996	7,243	7,490	7,737	7,983	8,230	8,477	8,724
ENs	1,998	2,069	2,141	2,213	2,285	2,357	2,428	2,500	2,572
PCWs	99,200	102,895	106,590	110,284	113,979	117,673	121,368	125,063	128,757
<b>Total of direct care workers</b>	<b>107,948</b>	<b>111,960</b>	<b>115,974</b>	<b>119,987</b>	<b>124,001</b>	<b>128,013</b>	<b>132,026</b>	<b>136,040</b>	<b>140,053</b>
All aged care workers in HC/CHSP	147,374	152,830	158,285	163,741	169,196	174,651	180,107	185,562	191,018
<b>Grand total of all direct care workers</b>	<b>276,556</b>	<b>282,959</b>	<b>289,322</b>	<b>295,672</b>	<b>302,019</b>	<b>308,362</b>	<b>314,707</b>	<b>321,052</b>	<b>327,397</b>
<b>Grand total of all aged care workers</b>	<b>387,286</b>	<b>396,145</b>	<b>404,941</b>	<b>413,721</b>	<b>422,494</b>	<b>431,265</b>	<b>440,037</b>	<b>448,808</b>	<b>457,580</b>



Table 5: 2024 ACWF baseline supply in RAC and HC/HS

ACWF baseline supply	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	32,035	32,434	32,836	33,238	33,642	34,045	34,450	34,854	35,259
ENs	14,693	14,876	15,060	15,246	15,432	15,618	15,805	15,991	16,178
PCWs	134,777	136,380	137,993	139,612	141,236	142,862	144,489	146,117	147,746
<b>Total of direct care workers</b>	<b>181,506</b>	<b>183,690</b>	<b>185,889</b>	<b>188,096</b>	<b>190,309</b>	<b>192,525</b>	<b>194,743</b>	<b>196,963</b>	<b>199,183</b>
All aged care workers in RAC	236,232	239,108	242,004	244,912	247,829	250,750	253,674	256,600	259,528
<b>Home Care and CHSP combined</b>									
RNs+NPs	6,507	6,752	6,998	7,244	7,489	7,735	7,980	8,226	8,472
ENs	1,966	2,034	2,103	2,171	2,240	2,308	2,377	2,445	2,513
PCWs	110,043	113,878	117,726	121,575	125,423	129,271	133,119	136,967	140,815
<b>Total of direct care workers</b>	<b>118,516</b>	<b>122,665</b>	<b>126,827</b>	<b>130,990</b>	<b>135,152</b>	<b>139,314</b>	<b>143,476</b>	<b>147,638</b>	<b>151,800</b>
All aged care workers in HC/CHSP	179,070	185,251	191,451	197,651	203,850	210,050	216,249	222,449	228,648
<b>Grand total of all direct care workers</b>	<b>300,022</b>	<b>306,355</b>	<b>312,716</b>	<b>319,086</b>	<b>325,460</b>	<b>331,839</b>	<b>338,219</b>	<b>344,601</b>	<b>350,983</b>
<b>Grand total of all aged care workers</b>	<b>415,302</b>	<b>424,359</b>	<b>433,454</b>	<b>442,564</b>	<b>451,679</b>	<b>460,800</b>	<b>469,923</b>	<b>479,049</b>	<b>488,176</b>

Table 6: Additional workers as a result of the FWC interim decision by occupation in RAC and HC/CHSP

FWC supply (stage 2)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	860	1,678	2,435	2,923	3,157	3,138	2,966	3,022	2,960
ENs	338	674	974	1,159	1,242	1,230	1,166	1,195	1,170
PCWs	2,382	4,490	6,353	7,593	8,290	8,506	8,498	8,122	7,955
<b>Total of direct care workers</b>	<b>3,580</b>	<b>6,842</b>	<b>9,762</b>	<b>11,675</b>	<b>12,689</b>	<b>12,874</b>	<b>12,630</b>	<b>12,338</b>	<b>12,085</b>
<b>Home Care and CHSP combined</b>									
RNs+NPs	451	540	628	682	691	688	670	703	714
ENs	99	130	158	172	173	169	161	172	174
PCWs	8,955	9,748	10,532	11,129	11,278	11,687	12,192	12,210	12,404
<b>Total of direct care workers</b>	<b>9,505</b>	<b>10,418</b>	<b>11,318</b>	<b>11,983</b>	<b>12,142</b>	<b>12,544</b>	<b>13,023</b>	<b>13,085</b>	<b>13,293</b>

Notes: the Deloitte's modelling goes up to FY 2029-2030. HERD projected the number beyond FY 2030, via numerical modelling of the existing trend; Deloitte is currently undertaking further modelling to consider workforce impacts of stage 3 of the FWC case.

## **Background and Methodology**

- The Aged Care Workforce Model (Model) was designed to provide estimated projections on the supply and demand of the aged care workforce.
- The Model has recently been recalibrated to inform workforce projections for the next 25 years to 2049-50. The following updates have been applied:
  - A key difference in the recalibrated 2024 model, is that it takes into account the additional supply from the FWC.
  - The Model has been updated with the new Aged Care Market Strategy Service Demand model. This will inform the workforce year-on-year ratio and demand growth rate. This replaces the previous version for which the workforce demand and growth rate were influenced by the Lite model.
  - The **annual workforce demand growth rate** is determined by the year-on-year ratio of the projected service demand of the aged care industries. The utilisation data is sourced from the Department of Health's Aged Care Data Warehouse (CASPER). The forecasted demand growth rate is then multiplied by the starting stock to derive the estimates.
  - The annual **workforce supply growth rate** is generated via timeseries forecasting using the ABS Labour Force data by State/Territory for aged care related industries. The forecast method involves multiplying the growth rate with the starting stock to derive the estimates for the following financial years.
  - In this Model, the **workforce supply** starting stock has been updated to reflect de-duplicated headcounts from the 2023 ACPWS. That is, workers who may be working for multiple providers are not counted twice, as they had been reported in the survey. These de-duplicated numbers are a truer reflection of the aged care workforce numbers as opposed to aged care job roles.
  - **De-duplication** was undertaken by estimating the proportion of workers holding multiple jobs. The proportion is calculated using 2023 ATO Single Touch Payroll on number of employers and 2021 Census data in PLIDA. The proportion is then applied to the weighted headcount for each sector to give an estimate of the number of unique workers.

## **Residential aged care workforce**

- An update schedule has been developed to align the release of publicly available QFR data and estimates updates.

### *Calculation of additional demand to meet targets using Quarterly Financial Report (QFR)*

- QFR data has been used to assess compliance with 24/7 RN and care minutes targets. The QFR data and 24/7 RN coverage in RAC data is used to fine tune the available workforce to deliver services to the consumers. The hours of care met by Direct Care Workers (RN+NP, ENs and PCWs), and

occupied bed days are utilised to solve the hours of exceedance or hours of deficit from meeting the required care minutes, which are then converted to FTEs, and applied to the workforce supply, to reflect the availability of direct care workers.

- Compared with the old estimate approach, which calculated a simple scaling factor at the national level. This new approach has improved the accuracy by estimating the shortfall and excess of care minutes to meet the targets at the service level separately.

#### *Introduction of 215/44 care minutes target*

- From 1 October 2024, the care minutes increase to 215/44, and 10% of the RN minutes can be replaced by ENs. The impact of the EN substitution is modelled as an additional 4 minutes of EN and 11 minutes of PCW on current target (200/40), which forms 171 PCW/EN care minutes, 20 RN care minutes and 4 EN care minutes, totalling to 215 care minutes and 44 nursing care minutes.
- The Department will use QFR data to monitor providers' response to these policy changes and will test whether the current assumption in the model is valid, which leans heavily towards RACF service providers wanting to minimise their labour operational costs where possible by increasing EN usage. Amendments will be made to modelling approach if required.

#### *Oversupply of ENs*

- The current model assumption is that service providers want to use as much PCWs as possible to meet the shortfall of the PCW+EN mixed-case care minutes, as they are lower cost. The increase in the care minutes target results in an increase in demand for PCWs, but there is not the same increase in demand for ENs. Providers' demand for ENs is only driven by the 10% (4 minutes) target.
- There is a surplus for ENs over the forecast (negative numbers seen in table 1). This could indicate an anticipated excess supply for ENs to reflect the RAC facilities "gearing up" for the 215/44 requirements. In 2023-24, most of the RAC providers exceeded the required 160 mixed-case care minutes delivered by EN+PCWs.
- In practice the oversupply of ENs can be offset against the PCW workforce gap, so there is not actually an oversupply of workforce.

#### **Home care workforce**

- HCP workforce demand is assumed to equal the workforce needed to provide services to clients, plus the workforce needed for the HCP National Priority System (NPS). Note, this overestimates the workforce gap in home care where the number of packages released are not enough to clear the queue. A decision was made to maintain this methodology because it more closely reflects the expected impacts of Support at Home on workforce demand. Modelling will be revised once parameters of Support at Home are finalised.

#### **Fair Work Commission supply**

- The model now incorporates the stage 2 (July 2023) Fair Work Commission (FWC) 15% wage rise impacts on workforce supply in the model simulation Table 6. This reduces the total workforce gap over a seven-year period to FY 2029-30 by 154,000, following which the model forecasts a downwards trend for additional workforce supply resulting from the wage rise from FY 2030-31 to 2049-50.

This document has been released under  
the Freedom of Information Act 1982  
by the Department of Health, Disability and Ageing

**To: Emily Harper**

## **KEY UPDATES TO THE AGED CARE WORKFORCE MODEL**

### **Purpose**

To highlight the key changes to the aged care workforce model's policy assumptions and subsequent impacts on the aged care workforce model's national estimates.

### **Issues**

- In response to Recommendation 75 (1b) from the Royal Commission into Aged Care Quality and Safety, the Aged Care Workforce Model was developed by the Health Economics and Research Division (HERD) in collaboration with the Aged Care Workforce Branch.
- The workforce model has historically been updated quarterly in line with the latest data updates and asserts a range of policy assumptions based on aged care reforms to quantify how these will impact the workforce in future years.
- This paper outlines the key revisions to the policy assumptions.

#### *Minimum Mandatory Care Minutes policy*

- To deliver appropriate person-centred care in residential aged care, care delivered may exceed the sector benchmark of 215 care minutes per resident per day (including 44 minutes from Registered Nurses, with up to 10% from Enrolled Nurses).
- The workforce model assumes that current staffing levels, based on the latest Quarterly Financial Reporting care minutes data, are appropriate for meeting resident needs, even where data shows that care delivered exceeds the minimum care minutes required.
- The previous model assumed that only the minimum mandatory care minutes are necessary, and any staffing delivering care above this minimum threshold should be converted to FTE and added to the workforce supply. This previous approach increased workforce supply and reduced estimated workforce gaps.
- Accepting the revised policy scenario that care delivered above the sector benchmark (215/44) is appropriate results in a reduction of supply of approximately 17,400 direct care staff in FY 2024–25, creating a significant widening the workforce gap estimates compared with the previous model assumption. See Attachment A.

#### *24/7 RN Aged Care Policy*

- The 24/7 RN requirement was introduced in response to Recommendation 86 of the Royal Commission into Aged Care Quality and Safety to improve resident safety and to provide better access to clinical care, keeping people out of hospital.
- This policy is factored into the workforce model demand. Using the monthly "RN coverage in RAC" data, the forecasted shortfall of hours demanded to fully meet the 24/7 RN coverage policy is converted to FTEs.
- Aside from improving the data recency, there has been no change to this approach since the last update to the workforce model.

#### *Fair Work Commission Aged Care Value Case decisions*

- In August 2023, Deloitte Access Economics was engaged to estimate the additional aged care workforce resulting from the Fair Work Commission's (FWC) interim (Stage 2) decision to raise award wages by 15%. Deloitte's model assumed no behavioural changes from providers (e.g., reclassification or outsourcing) and no wage responses from other sectors.



- Deloitte's modelling suggested a strong increase in workforce supply, significantly reducing the workforce gap. These projected additional headcounts (6,800 in residential care and 10,400 in home care in 2024-25) were added to the previous version of the Model as a manual adjustment.
- Given it has been approximately 22 months since the initial wage increase, any realised increase in workforce supply resulting from the wage increase are expected to begin to appear in ABS Labour Force Statistics (EQ06), which are used in the model as a data source. To avoid double counting and artificially inflating supply, these FWC-related headcounts have been removed.
- The limitation to this approach is that the full impacts from the FWC decisions may not become apparent in ABS data for some time, given the phased approach to wage increases. [Attachment B](#) summarizes the previously included additional headcounts for residential and home care.

### *Home care*

- The current assumptions for estimating home care demand accounts for a workforce being available for all clients who are on the National Priority System in addition to the workforce needed to provide services to clients in receipt of home care package funding. This approach overestimates the workforce supply needed to provide home care and increases the gap.
- Between 2023-24 and 2024-25, the increase in home care workforce demand is 12,500 (or a 6.5% increase) and while workforce supply increased by 8,500 (or a 4.7% increase).
- The upcoming changes to Support at Home and impacts on the workforce are not yet fully known. As such, home care assumption will need to be reviewed and refined over time and tested for consistency with other key work across the Ageing and Aged Care Group.

### **Outcomes**

Based on the assumptions above, in 2024-25:

- The total workforce (headcount) is estimated as 431,500 and the direct care workforce is estimated as 311,300.
- The total supply in 2024-25 compared with 2023-24 has increased by 2.8% for the direct care workforce and 2.9% for the total aged care workforce.
- The workforce gap is estimated as 20,100 for residential aged care and 10,300 for home care. This is compared with the previous workforce gaps of 1,800 in residential aged care and 5,100 in home care.
- The workforce gap is predicted to grow, largely due to demand for aged care services outstripping workforce supply. Refer to [Attachment C](#) for the current workforce gap estimates and total workforce supply.

### **Sensitivities**

- Elements of the Aged Care Workforce Model demand for residential aged care and home care draw from the demand modelling developed by HERD for Aged Care Market Strategy. A paper has recently been endorsed by SLG to decommission the Market Strategy demand model, given that the outputs and assumptions are no longer reliable. Although the two models differ in their intent, the workforce model should ultimately align with the demand utilisation projections. However, the revised Market Strategy Model will not be available for some time.
- Aged care workforce estimates based on the ACWF model are mostly reported internally, with limited public release. However, some briefings have been published citing previous estimates for aged care workforce gaps and there is a regular request on RN workforce gaps at Senate Estimates.

### **Consultation**

The outputs for this work have been developed by HERD.

**Recommendation**

- A paper will be provided to SLG to outline and agree the policy assumptions that underpin the Aged Care Workforce Model to determine:
  - A) Whether to accept the revised estimates; or
  - B) Whether to continue to reference previous workforce estimates until there is a unified Market Demand model from the Market Intelligence Branch which can underpin the aged care workforce model.

Approved / Not Approved / Please Discuss / Noted

Emily Harper

First Assistant Secretary – Market and Workforce Division

/ 05 / 2025

**Attachments:**

Attachment A – Distribution of care minutes if excess converted into supply

Attachment B – Deloitte modelled estimates for 'Stage 2' impacts from Fair Work Commission decisions on workforce supply

Attachment C – Workforce Supply, updated supply and demand and workforce gaps

Contact officer: s22 [REDACTED], Director Data Management and Evaluation, Aged Care Workforce Branch

Phone: s22 [REDACTED]

TRIM ref:

Cleared by: Lauren Hendriks

**Attachment A**

Table 1 – How the workforce supply differs if ‘excess’ care minutes are distributed to workforce supply. Refer to reference year 2024-25.

Release	Type	FY-22/23	FY-23/24	FY-24/25	FY-25/26	FY-26/27	FY-27/28	FY-28/29	FY-29/30	FY-30/31	FY-31/32	FY-32/33	FY-33/34	FY-34/35	FY-35/36
31-Mar-25	RAC (215/44) WF Supply	179,806	182,544	185,287	188,033	190,783	193,536	196,286	199,042	201,800	204,557	207,314	210,071	212,829	215,586
31-Mar-25	RAC (215/44) WF Supply with excess CM	185,377	196,021	202,686	205,682	208,684	211,687	214,688	217,696	220,705	223,714	226,722	229,731	232,740	235,749
31-Mar-25	RAC (215/44) WF Demand	189,146	196,149	205,419	209,912	215,512	221,124	227,495	234,464	241,936	251,694	261,211	270,418	280,006	289,802
31-Mar-25	RAC (215/44) Gap (Dem-Sup)	9,340	13,605	20,133	21,879	24,729	27,589	31,209	35,422	40,136	47,137	53,896	60,346	67,177	74,216
31-Mar-25	RAC (215/44) Gap (Dem-Sup) with excess CM	3,768	128	2,733	4,230	6,828	9,437	12,807	16,768	21,231	27,980	34,488	40,687	47,266	54,054
31-Mar-25	Reduction of Gap with excess care minutes:	-5,571	-13,477	-17,399	-17,650	-17,901	-18,152	-18,403	-18,654	-18,905	-19,157	-19,408	-19,660	-19,911	-20,163
16-Aug-24	RAC (215/44) WF Supply	186,195	195,200	197,553	199,920	202,297	204,679	207,065	209,453	211,842	214,233	216,624	219,015	221,406	223,798
16-Aug-24	RAC (215/44) WF Demand	189,707	198,755	206,154	209,645	213,979	218,110	222,810	227,791	233,159	240,143	246,627	252,608	258,719	264,960
16-Aug-24	RAC (215/44) Gap (Dem-Sup)	3,512	3,555	8,601	9,725	11,683	13,431	15,745	18,338	21,316	25,910	30,003	33,593	37,313	41,162
Difference of Gap for RAC (215/44) b/n 31/3 & 16/8:		5,828	10,050	11,532	12,154	13,046	14,157	15,464	17,083	18,820	21,227	23,893	26,753	29,864	33,054
Diff of Gap for RAC (215/44 with XSCMs) b/n 31/3 & 16/8:		256	-3,427	-5,868	-5,496	-4,855	-3,994	-2,939	-1,571	-85	2,070	4,485	7,094	9,953	12,891

## Attachment B - Deloitte modelled estimates for 'Stage 2' impacts from Fair Work Commission decisions on workforce supply

FWC supply (stage 2)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Residential Aged Care</b>									
RNs+NPs	860	1,678	2,435	2,923	3,157	3,138	2,966	3,022	2,960
ENs	338	674	974	1,159	1,242	1,230	1,166	1,195	1,170
PCWs	2,382	4,490	6,353	7,593	8,290	8,506	8,498	8,122	7,955
<b>Total of direct care workers</b>	<b>3,580</b>	<b>6,842</b>	<b>9,762</b>	<b>11,675</b>	<b>12,689</b>	<b>12,874</b>	<b>12,630</b>	<b>12,338</b>	<b>12,085</b>
<b>Home Care and CHSP combined</b>									
RNs+NPs	451	540	628	682	691	688	670	703	714
ENs	99	130	158	172	173	169	161	172	174
PCWs	8,955	9,748	10,532	11,129	11,278	11,687	12,192	12,210	12,404
<b>Total of direct care workers</b>	<b>9,505</b>	<b>10,418</b>	<b>11,318</b>	<b>11,983</b>	<b>12,142</b>	<b>12,544</b>	<b>13,023</b>	<b>13,085</b>	<b>13,293</b>

Notes: the Deloitte modelling goes up to FY 2029-2030.

## Attachment C – Workforce Supply

Table A: Estimated National Workforce Supply 2024-25 to 2033-34

Financial Years	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<b>Residential aged care</b>										
EN	15,063	15,317	15,572	15,827	16,082	16,338	16,593	16,849	17,105	17,361
PCW	137,536	139,543	141,554	143,565	145,575	147,590	149,605	151,620	153,634	155,649
RN	32,688	33,172	33,658	34,143	34,629	35,115	35,602	36,088	36,575	37,061
Total (DCW)	185,287	188,033	190,783	193,536	196,286	199,042	201,800	204,557	207,314	210,071
All OCCP	241,173	244,751	248,334	251,920	255,503	259,094	262,686	266,278	269,870	273,463
<b>Home care</b>										
EN	2,086	2,175	2,266	2,358	2,449	2,540	2,631	2,723	2,814	2,905
PCW	116,971	122,246	127,611	132,997	138,382	143,766	149,151	154,536	159,921	165,306
RN	6,910	7,217	7,530	7,844	8,158	8,472	8,786	9,100	9,414	9,729
Total (DCW)	125,966	131,638	137,407	143,198	148,988	154,779	160,569	166,359	172,149	177,940
All OCCP	190,365	198,910	207,600	216,324	225,047	233,769	242,492	251,214	259,937	268,659
<b>Total workforce supply</b>										
	431,500	443,700	456,000	468,200	480,600	492,900	505,200	517,500	529,800	542,100

Figure 1. Residential Aged Care workforce gap, 2024-25 to 2035-36 by occupation.

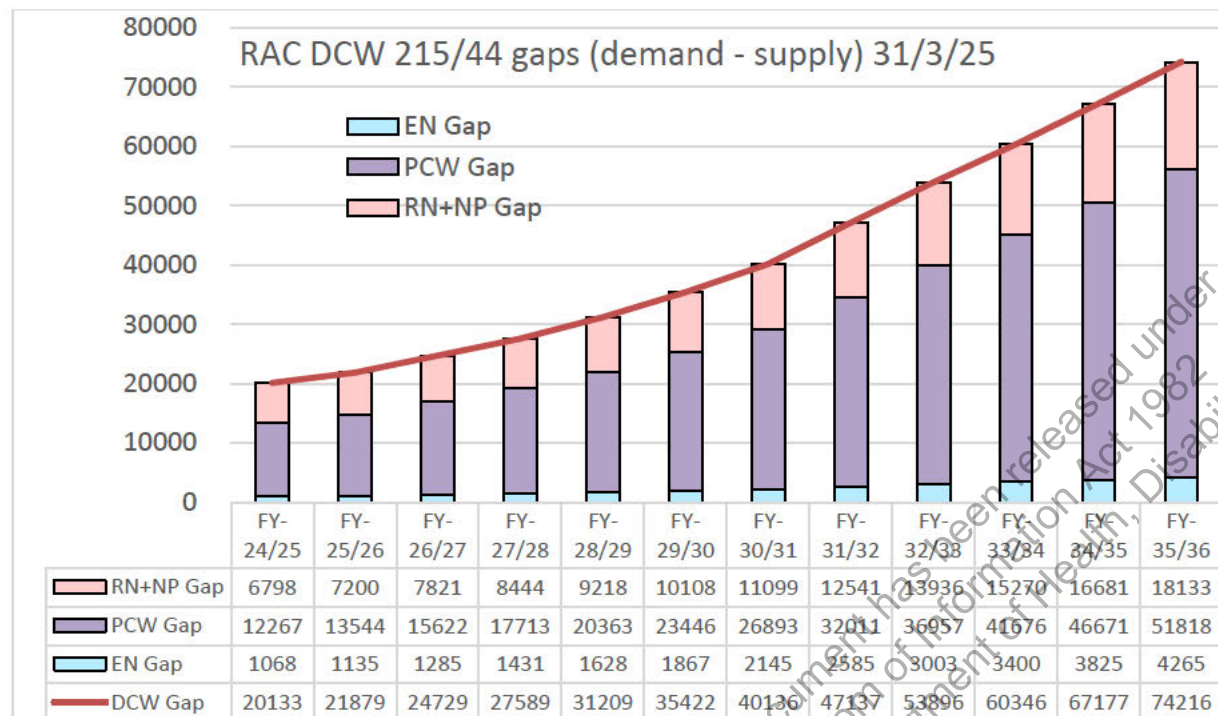




Figure 2. Home Care (including CHSP) workforce gap, 2024-25 to 2035-36

