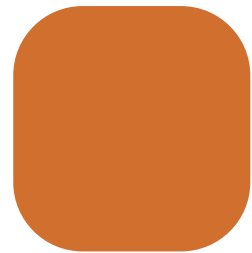


# Federal Budget 2024-25: Analysis

14 May 2024



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## About ACCPA

The Aged and Community Care Providers Association (ACCPA) is the national Industry Association for aged care providers offering retirement living, seniors housing, residential care, home care, community care and related services.

ACCPA exists to unite aged care providers under a shared vision to enhance the wellbeing of older Australians through a high performing, trusted and sustainable aged care sector. We support our members to provide high quality care and services while amplifying their views and opinions through an authoritative and comprehensive voice to the government, community and media.

Our sector serves to make better lives for older Australians, and so do we.

# Federal Budget 2024-25

*ACCPA is pleased to see the Government's commitment to funding the Fair Work Commission's Stage 3 decision, along with \$2.2 billion investment into aged care – which is essential for continuing to deliver on reforms and implementing recommendations from the Royal Commission into Aged Care Quality and Safety.*

*However, ACCPA is disappointed the Aged Care Taskforce was not mentioned in the budget. Funding to ensure a stable and viable sector is the number one challenge facing aged care in Australia.*

## Future sustainability of aged care

*Aged Care Taskforce Final Report – we must seize the opportunity to create a viable and sustainable aged care system*

The Budget has not referenced the Aged Care Taskforce recommendations, which are critical to the viability of the aged care sector.

We will continue our intensive engagement with Government, the opposition and the cross bench. We are calling on all sides of politics to support financial reform of the aged care system to ensure viability both now and into the future.

We have made substantial and positive progress on the national discussion around the role of consumer contributions in aged care funding for those that have the means, as well ensuring a strong safety net for those who need it. The community understands the case for change. We want to see these changes made as soon as is practical.

## ACCPA Budget advocacy

ACCPA advocated as part of the [Pre-Budget Submission 2024-25](#) that the Australian Government consider ten recommendations, providing a blueprint to herald the next generation of ageing and aged care.

### Advocacy wins

ACCPA's advocacy has led to the following wins in the 2024 / 25 budget for our members:

- **Funding for the work value case** – following our ongoing engagement and advocacy, the government has committed to funding the Stage 3 Fair Work Commission decision to increase the award wage for both direct and indirect care workers. Figures for the required funding will be allocated after the final determination by the Fair Work Commission. ACCPA will continue to engage with the government regarding the rollout of this funding, including incorporating lessons learned from Stage 2.
- **Increased home care packages** – the government announced \$531.4 million to fund an additional 24,100 packages in 2024-25. While the packages fall short of the numbers required to clear the national queue and meet projected demand, the release of these packages will help more people live at home for longer.
- **New Aged Care Act commencement date** – ACCPA has called for certainty with the New Aged Care Act and this budget has confirmed that the Act will be implemented on 1 July 2025, pending its passage through parliament. ACCPA also

anticipates that transition timelines will be included in the new Act and will continue to advocate for achievable timeframes.

- **Commonwealth Prac Payment** – \$427.4 million over four years to fund new payments for tertiary students undertaking supervised mandatory placements as part of their education, including for nurses. ACCPA has been calling for funded placements to reduce placement poverty and welcomes this measure.

### Continuing advocacy

ACCPA has welcomed a range of government aged care announcements, including increased home care packages, Work Value Case, and deferral of the New Aged Care Act commencement date to 1 July 2025.

However, we have a number of immediate advocacy priority areas.

#### *New Aged Care Act – passage through Parliament*

We are continuing our extensive engagement with the Department and Government on their preparation of a Bill to Parliament.

ACCPA continue to advocate on key issues including, but not limited to:

- duties and penalties;
- rights and responsibilities;
- high quality care;
- supporters and representatives; and
- an independent Complaints Commissioner.

ACCPA anticipates that the Aged Care Act will be referred to a Parliamentary Committee.

We will update members as the legislative process progresses.

#### *Budget 2024-25 – follow up to support effective implementation of initiatives*

The relevant measures announced in the Budget will be analysed alongside further information and advice, as it becomes available.

ACCPA is pleased to see the commitment to funding Stage 3 of the Work Value Case, and will advocate for all costs, including leave entitlements, to be funded.

### Key funding for aged care

**\$2.2 billion** of new funding into aged care includes:

- **\$1.2 billion** for critical digital systems to support the introduction of the new Aged Care Act and deliver a contemporary IT system.
- **\$531.4 million** to release an additional 24,100 Home Care Packages in 2024-25.
- **\$110.9 million** over four years to increase the regulatory capability of the Aged Care Quality and Safety Commission.
- **\$87.2 million** for workforce initiatives to attract nurses and other workers into aged care.
- **\$37 million** for the My Aged Care Contact Centre to reduce call-waiting times.

In addition, the Government has committed to funding the Fair Work Commission's decision to increase wages for direct and indirect care workers once the final determination is made.

## Budget Overview

Budget topic	Budget announcement
<b>Work Value Case Stage 3</b>	<p><i>Overall</i> Commitment to funding the outcomes of the Work Value Case, Stage 3, for both direct and indirect care workers.</p> <p>Figures will be available following the final Fair Work Commission determination.</p>
<b>Workforce (other)</b>	<p>\$65.6 million over four years, from 2024-25, to attract and retain aged care workers.</p> <p>\$21.6 million over three years from 2024-25 to extend the Home Care Workforce Support program for an additional three years.</p> <p>Re-purposed unspent government CHSP funds, which ACCPA understands is valued at \$84.0 million, for aged care worker wages.</p>
<b>Migration</b>	Reduction of the work experience requirement for the Temporary Skill Shortage (subclass 482) visa from two years to one year, for all applicants from 23 November 2024
<b>Home and community care</b>	\$531.4 million in 2024-25 to fund 24,100 additional home care packages for 2024-25.
<b>Regulatory design and implementation</b>	<p>\$1.2 billion, over five years from 2023–24, for aged care digital systems – so they remain legislatively compliant and can support the introduction of the new Aged Care Act from 1 July 2025</p> <p>\$174.5 million over two years from 2024–25 to fund the ICT infrastructure required to implement the new Support at Home Program and Single Assessment System, from 1 July 2025</p> <p>\$110.9 million over four years from 2024–25 to increase the regulatory capability of the Aged Care Quality and Safety Commission as part of the Government’s response to the Final Report of the Capability Review.</p>
<b>Jobs and skills</b>	\$427.4 million over four years to fund new payments for tertiary students undertaking supervised mandatory placements as part of their education, including for nurses.

<b>Health and aged care</b>	<p>\$610.4 million over four years from 2024–25 for States and Territories to invest in initiatives that address long stay older patient challenges.</p> <p>\$190.0 million over three years from 2025–26 for the extension and redesign of the Commonwealth's <i>Transition Care Programme</i> to provide short-term care of up to 12 weeks for older people after a hospital stay.</p> <p>\$56.8 million over five years from 2023–24 for the expansion of the Commonwealth's <i>Acute to Residential Care Transition Service</i> dementia program, aimed at transitioning long-stay patients with behavioural psychological symptoms of dementia out of hospital into a residential aged care home</p> <p>\$24.9 million over two years from 2024–25 for the continuation of the <i>Comprehensive Palliative Care in Aged Care</i> program to support states delivering specialist palliative care services in residential aged care.</p>
<b>Care and Support Economy</b>	\$60.1 million to deliver on Government priorities, including (but not limited to) the care and support economy.
<b>Housing</b>	\$1.9 billion over five years for a 10% increase in the maximum rate of Commonwealth Rent Assistance

## Fair Work Commission Work Value Case Stage 3

### Overall

The Government has said that it will fund the award wage increases arising from Stage 3 of the Work Value Case. We understand that there is a commitment to fully fund the increases.

### Our comments

It is reassuring that the Government has stated that they are funding the wage increases arising from Stage 3 of the Work Value Case.

It is understandable that there is not a specific figure allocated in the Budget to fund it given that the final decision of the Fair Work Commission has not yet been made.

This decision will likely be delivered mid-year and we look forward to more details of the funding being shared by the Government once this has occurred.

## Reform

### New Aged Care Act

The Government has announced that the new Aged Care Act will start on 1 July 2025.

### Our comments

ACCPA has also been consistently and publicly calling for certainty regarding the commencement date of the new legislation. The Budget today confirmed that the government will defer the commencement date of the new Act to 1 July 2025, providing clarity for the sector. While there is still more work to be done, including passage through parliament and transition arrangements, this is a welcome announcement and confirmation.

## Home and community care

### Home care packages

#### *Overall*

The budget allocates \$531.4 million for an extra 24,100 Home Care Packages to be rolled out in 2024-25. By June 2025, it is anticipated that approximately 300,000 Home Care Packages will be accessible to older individuals across Australia, catering to their complex aging-related requirements.

The Department of Health and Aged Care in the [Budget 2024-2025 Quality Aged Care budget summary](#) anticipates that this increase in packages will bring down wait times to an average of 6 months.

#### *Our comments*

ACCPA welcomes the increased investment in home care packages as a step toward alleviating the supply shortage and addressing the clinical care needs of older individuals. However, this funding alone will not suffice to tackle current waitlists and the growing preference for aging at home.

In our [Federal Government Pre-budget Submission 2024-25](#) ACCPA estimated the necessity of releasing an additional 80,000 Home Care Packages in the next fiscal year and equivalent amounts in subsequent years to meet the rising community demand and ensure those on temporary services receive their assessed level of care.

As of December 2023, wait times for HCPs extended up to 9-12 months, as reported in the [Home Care Packages Program Data Report 2nd Quarter 2023-2024](#). Although the budget aims to halve consumer wait times, a 6-month wait for a Home Care Package remains concerning for vulnerable older individuals with complex care needs.

ACCPA urges the Government to prioritize care before cost and undertake additional monitoring and consideration ahead of MYEFO to ensure adequate support before the July 2025 commencement of the Support at Home Program and the new rights-based Aged Care Act.

### Veteran's Home Care and Community Nursing program

#### *Overall*

\$48.4 million over two years from 2024–25 to provide viability payments to providers to maintain the short-term viability of Veterans' Home Care and Community Nursing programs.

#### *Our comments*

ACCPA will be seeking clarification with DoHAC for further detail on this budget allocation.

### Commonwealth Home Support Program and Other sub-programs

#### *Overall*

The Government plans to reallocate unutilised funds from the Commonwealth Home Support Programme to other sub-programs within aged care services over the next five years, starting from 2023–24.



The ongoing grant opportunity for Commonwealth Home Support Programme Growth funding for 2024-2025, closing on 31 May 2024, is funded by the allocation from the current financial year's Federal budget.

### *Our comments*

ACCPA will engage with DoHAC to ensure that comprehensive information on the sub-programs and initiatives associated with this budget allocation is accessible to providers.

ACCPA acknowledges the potential for various sub-programs to benefit from the proposed funding, facilitating expansion and innovation. Additionally, ACCPA recognises the importance of federal funding to support preparation for and implementation of the Support at Home program and will continue to advocate for this funding allocation.

Additionally, ACCPA emphasises the importance of Federal funding to support the preparation for and implementation of the Support at Home program and will continue advocating for this funding allocation.

## Residential care

### ICT

#### *Overall*

The Federal Budget includes \$4.1 million over three years from 2023–24 to undertake ICT preparation work to configure the new Basic Care Tariffs in the AN-ACC funding model.

#### *Our comments*

ACCPA will engage with the Department of Health and Aged Care to seek further details about this measure.

### **Greater recognition of Enrolled Nurses in nurse minutes<sup>1</sup>**

#### *Overall*

From 1 October 2024, residential aged care providers will have greater flexibility in how they meet the care minutes requirements. Providers will have the option of meeting up to 10% of their Registered Nurse (RN) care minutes target with care time provided by Enrolled Nurses (ENs).<sup>2</sup>

#### *Our comments*

ACCPA has been active in engaging the government on the need for greater recognition of ENs in the calculation of nurse minutes and therefore welcomes this measure. This policy shift will enable more residential aged care providers to comply with the care minutes requirements. It is likely to particularly benefit providers in rural, regional and remote areas, as well as others impacted by RN shortages. Enabling ENs to meet up to 10% of nurse minutes also provides greater recognition of the expertise of ENs and the important role they play in delivering care.

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<sup>1</sup> New content added on 16 May 2024.

<sup>2</sup> ACCPA confirmed this in a meeting with the office of Minister Wells on 15 May 2024.

## Note regarding AN-ACC price for 2024-25

### *Overall*

The Federal Budget does not provide any insight into the AN-ACC price for 2024-25.

From 2024, the AN-ACC price will be announced in August and come into effect on 1 October annually. This change in timing has been made to enable the Independent Health and Aged Care Pricing Authority (IHACPA) to include the outcome of the Fair Work Commission's Annual Wage Review decision in their annual price review.

Moving the AN-ACC price adjustment from July to October will minimise the likelihood that supplementary IHACPA advice and price adjustments will be required, thereby giving aged care providers greater certainty.

### *Our comments*

ACCPA will monitor the AN-ACC price announcement which will be made in August and continue our ongoing engagement with IHACPA. The insights and experiences of our members will provide useful evidence to inform IHACPA's recommendations on pricing for the delivery of residential aged care services in order to improve outcomes for older Australians.

## Workforce and Migration

### Home Care Workers

#### *Overall*

The budget allocates \$21.6 million over three years from 2024–25 to extend the Home Care Workforce Support Program, aimed at facilitating the growth of the care and support workforce in thin markets.

An additional \$65.6 million over four years from 2024–25 has been allocated to attract and retain aged care workers, collect more reliable data, and improve the outcomes for people receiving aged care services through existing aged care workforce programs.

ACCPA members continue to feedback on the ongoing concerns they have with recruiting staff, and reliance on sub-contracted staff where they would have preferred to recruit.

#### *Our comments*

ACCPA members continue to experience ongoing concerns regarding staff recruitment, and are increasing reliance on sub-contracting to meet the staffing needs.

This dependence not only impacts client preference but also carries financial implications for the provider.

In our Federal Government Pre-budget Submission 2024-25 ACCPA advocated for \$8 million over 3 years to establish a sector-led migration advisory service aimed at assisting aged care providers in accessing and retaining migrant workers.

ACCPA will continue to engage with members to advocate for action and address workforce shortages in the aged care sector.

## Migration - temporary

### Overall

The Government has said that it will reduce the work experience requirement for the Temporary Skill Shortage (subclass 482) visa from two years to one year for all applicants from 23 November 2024.

### Our comments

This will potentially increase the pool of overseas worker applicants however it would be important that this did not impact the quality of workers being brought to Australia to work in aged care.

## Permanent migration program<sup>3</sup>

### Overall

The Government will set the 2024–25 Permanent Migration Program planning level at 185,000 places and allocate 132,200 places (approximately 70%) to the Skill stream. From 2025–26, the Government will extend the planning horizon for the permanent Migration Program from one year to four years.

There is also provision for streamlined processing for skilled workers, such as in healthcare professions.

### Our comments

ACCPA welcomes the longer term planning horizon for the Permanent Migration Program and has been actively [engaging](#) with the Department of Home Affairs on the need for more effective and efficient access to a skilled workforce in aged care.

We will seek further information on how the measures might be implemented to better support our member access skilled migrants in aged care.

## Jobs and skills

### Financial support for nursing students undertaking mandatory placements

#### Overall

The Government has committed \$427.4 million over four years from 2024–25 (and an additional \$1.2 billion from 2028–29 to 2034–35) to establish a new Commonwealth Prac Payment of \$319.50 per week for students who are required to undertake mandatory placements as part of their nursing, teaching or social work studies. The Payments will come into effect for eligible students from 1 July 2025.

#### Our comments

ACCPA welcomes the provision of financial support for nursing students to reduce placement poverty as this was a recommendation in our Pre-Budget Submission<sup>4</sup> and our submission to the Universities Accord Review.<sup>5</sup>

ACCPA will engage with our membership to ascertain whether they think the quantum of the payment is sufficient to address the issue of placement poverty, or whether students may require additional financial support. We will also monitor how the introduction of the

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<sup>3</sup> New content added on 16 May 2024.

<sup>4</sup> [ACCPA Pre-Budget 2024-25 Submission](#), recommendation 6.

<sup>5</sup> [ACCPA Universities Accord Interim Report Submission](#), recommendation 1.

Commonwealth Prac Payment impacts on enrolment and attrition rates for nursing degrees, and whether this translates to an increase in the aged care nursing workforce.

## Health and aged care

### Addressing long stay older patients

#### *Overall*

The Federal Budget includes \$610.4 million over four years from 2024–25 for states and territories to invest in initiatives that address long stay older patient challenges.

#### *Our comments*

ACCPA welcomes support for initiatives which will support older people to be discharged from hospital and access aged care services in a timely way, whilst also enabling hospitals to focus on delivering care to patients that need it.

### Acute to Residential Care Transition Service Dementia program

#### *Overall*

The Federal Budget includes \$56.8 million over five years from 2023–24 for the expansion of the Commonwealth's *Acute to Residential Care Transition Service* dementia program, aimed at transitioning long-stay patients with behavioural psychological symptoms of dementia out of hospital into a residential aged care home, into all states and territories.

#### *Our comments*

ACCPA welcomes greater support to help ensure residential aged care providers are able to meet the needs of older Australians with dementia. However we note that it is also critical that residential aged care providers receive adequate funding under the AN-ACC model to be able to meet the complex needs of residents with behavioural psychological symptoms of dementia.

### Making vaccinations and medication more affordable

#### *Overall*

The Federal Budget includes \$0.9 million to give aged care residents more options to receive a free vaccination. Community pharmacists are now paid the same fee a doctor gets to administer free vaccines to residents in aged care under the National Immunisation Program.

The Government has also committed \$318 million over five years to strengthen pharmacy and keep medicines cheaper, with up to a five-year freeze to the cost of PBS prescriptions for pensioners and Commonwealth Seniors Health Cardholders, so medicines stay cheaper, instead of rising each year with inflation, which will particularly benefit people in residential aged care homes.

#### *Our comments*

ACCPA welcomes measures which will improve older people's access to vaccinations and medicines, particularly in light of the current cost of living pressures.

## Investment to improve access to health services

### *Overall*

The Federal Budget includes \$73.8 million over three years from 2024–25 to support the Royal Flying Doctor Service to deliver essential services to people living in remote communities through access to primary care, aeromedical evacuations and dental health services. It also includes a commitment to invest \$47.5 million over four years from 2024–25 (and \$14.1 million per year ongoing) to expand Healthdirect Australia to provide national and state-based virtual health services.

### *Our comments*

ACCPA welcomes initiatives which will improve access to health services, particularly for older Australians in rural, regional and remote areas. ACCPA will continue to advocate for greater recognition of virtual health solutions in policy settings, including those for the 24/7 RN and nurse minute requirements.

### Health workforce

Funding is being provided of \$17.4 million in 2024–25 to extend the General Practice Incentive Fund until 30 June 2025 to improve access to primary care in thin markets

### *Our comments*

ACCPA supports this measure which improves access to GPs for people who would otherwise have difficulty accessing GPs.

### Other measures

The following are other initiatives contributing to investment in the interface of health care and aged care.

### *General practice and Medicare*

The Federal Budget includes \$57.4 million over two years from 2024–25 to extend Practice Incentive Program Quality Improvement incentive payments for an additional year to 30 June 2025. It also includes \$16.0 million over four years from 2024–25 (and \$0.2 million per year ongoing) to implement changes to MyMedicare which will enable the payment of incentives to general practitioners and general practices to support wrap around primary care for frequent hospital users.

### *Continuation of the Comprehensive Palliative Care in Aged Care Program*

The Federal Budget includes \$24.9 million over two years from 2024-25 to continue the *Comprehensive Palliative Care in Aged Care* program to support states delivering specialist palliative care services in residential aged care.

### *Extending the Transition Care Programme*

The Government has committed \$190.0 million over three years from 2025–26 for the extension and redesign of the Commonwealth's *Transition Care Programme* to provide short-term care of up to 12 weeks for older people after a hospital stay.

## Funding for Information and Communications Technology in aged care

### *Overall*

The Government has committed to spending \$1.4 billion over 5 years to improve the ICT infrastructure across the sector. This is in preparation for the new Aged Care Act.

Of the total of \$1.4 billion, \$174.5 million over two years will be used to fund the new ICT infrastructure needed to implement the new Support at Home Program and Single Assessment System from 1 July 2025.

The remaining \$1.2 billion is for sustainment of, and essential enhancements to, critical aged care digital systems so they remain legislatively compliant and contemporary and can support the introduction of the new Aged Care Act from 1 July 2025.

### *Our comments*

We will seek further detail from the government in regard to how this funding will be utilised and allocated between government agencies, aged care providers and (possibly) software vendors.

## NDIS reforms<sup>6</sup>

### Pricing reform

#### *Overall*

The Federal Budget includes \$5.3 million in 2024–25 for the Independent Health and Aged Care Pricing Authority to work with the Department of Social Services and the National Disability Insurance Agency to undertake initial work to reform NDIS pricing arrangements, including reviewing existing pricing approaches and developing a pricing data strategy.

#### *Our comments*

ACCPA notes recommendation 11 of the NDIS Review Final Report (“Reform pricing and payments frameworks to improve incentives for providers to deliver quality supports to participants”), which includes Action 11.3: “The Australian Government should transition responsibility for advising on NDIS pricing to the Independent Health and Aged Care Pricing Authority to strengthen transparency, predictability and alignment.”

ACCPA will monitor the progress and outcomes of this work and has been proactive in sharing our experience of independent pricing in aged care with our counterparts in the disability sector.

### NDIS Review consultation and implementation

#### *Overall*

The Federal Budget includes \$129.8 million over two years from 2023–24 for design and consultation work to respond to the findings of the Independent NDIS Review, announced on 30 January 2024.

The Government will also establish a NDIS Implementation Advisory Committee and a NDIS Implementation Working Group, to oversee implementation of reforms recommended by the Independent NDIS Review and agreed by Government.

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<sup>6</sup> New content added on 16 May 2024.

### *Our comments*

ACCPA will continue to monitor progress made by the Government in relation to the NDIS Review.

Of particular interest is Action 2.11: “The Australian Government should implement legislative change to allow participants once they turn 65 to receive supports in both the NDIS and the aged care system concurrently and clarify when aged care supports are reasonable and necessary”.

ACCPA would like to see the Government consult with the aged care sector on this action (in particular), and will engage the Government on this issue.

### **Next steps**

ACCPA has commenced the process of engaging with the Australian Government and its relevant Departments on the additional detail our members will need to manage the implementation of the budget measures and seek any refinements where possible.

We will also use this information to determine our post-Budget advocacy including further Government efforts to support a sustainable aged care sector.

We will continue to update members as we learn more post-Budget. You can stay in touch via our weekly newsletter, ACCPA Informer as well as participation in member forums and special interest groups.

Please contact the Policy and Advocacy team at [policy@accpa.asn.au](mailto:policy@accpa.asn.au) with any questions to or to share your views on the 2024-25 Federal Budget.