

EXPLANATORY STATEMENT

Aged Care Act 1997 *Aged Care (Transitional Provisions) Act 1997*

Aged Care Legislation Amendment (March Residential Care Subsidy Increase) *Determination 2025*

Purpose and operation

The *Aged Care Legislation Amendment (March Residential Care Subsidy Increase) Determination 2025* (the Amending Instrument) amends the *Aged Care (Subsidy, Fees and Payments) Determination 2014* (the Subsidy, Fees and Payments Determination) and the *Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014* (the Transitional Provisions Determination).

The Amending Instrument increases from 1 March 2025 the amount of the national efficient price (NEP) for residential care activity. The amount of residential care basic subsidy is based on the NEP using the National Weighted Activity Unit (NWAU). The NWAU is a measure of residential care activity, expressed as a common unit, against which the NEP is set. The Amending Instrument also increases the amount of the registered nurse supplement payable to approved providers of residential care in respect of an eligible care recipient on a day from 1 March 2025. The Amending Instrument also provides for two increases to the amount of the hotelling supplement payable to approved providers of residential care in respect of an eligible care recipient on a day from 20 March 2025 and from 1 July 2025.

These increases provide the residential aged care sector with sufficient funding to increase wages to residential aged care workers in response to decisions of the Fair Work Commission, both a decision of 6 December 2024 to increase award wages for nurses from 1 March 2025 and a decision to increase award wages for non-care workers through Stage 3 of the Aged Care Work Value Case. The 20 March 2025 increase to the hotelling supplement also includes an increase for routine indexation for changes in the Consumer Price Index (CPI), while both the 20 March 2025 and the 1 July 2025 increases to the hotelling supplement also include increases to address a gap between the average daily cost of meeting hotelling costs for a care recipient and the amount of the hotelling supplement previously identified by the Independent Health and Aged Care Pricing Authority (IHACPA).

Background

The Amending Instrument is made under the *Aged Care Act 1997* (the Aged Care Act) and the *Aged Care (Transitional Provisions) Act 1997* (Transitional Provisions Act), which provide for the regulation and funding of aged care services. Persons or bodies approved under the *Aged Care Quality and Safety Commission Act 2018* to provide aged care services (approved providers) can be eligible to receive subsidy and supplement payments in respect of the care they provide to approved care recipients under the Aged Care Act and continuing care recipients under the Transitional Provisions Act.

Authority

The Aged Care Act and the Transitional Provisions Act provide that for each type of aged care the Minister may determine the amounts of particular components of the subsidy and the amounts of supplements payable to an approved provider for the provision of that type of aged care. Specifically, the authority provisions in the Aged Care Act for making the Amending Instrument are set out in the following table:

Type of care and type of payment	Section of the Aged Care Act
Residential care	
National efficient price	subsection 44-3(2)
Registered nurse supplement	subsection 44-27(3)
Hotelling supplement	subsection 44-27(3)

The authority provisions in the Transitional Provisions Act for making the Amending Instrument are set out in the following table:

Type of Care and type of payment	Section of the Transitional Provisions Act
Residential Care	
National efficient price	subsection 44-3(2)
Registered nurse supplement	subsection 44-27(3)
Hotelling supplement	subsection 44-27(3)

Reliance on subsection 33(3) of the *Acts Interpretation Act 1901*

Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Commencement

Schedule 1 of the Amending Instrument commences on 1 March 2025. Schedule 2 of the Amending Instrument commences on 20 March 2025. Schedule 3 of the Amending Instrument commences on 1 July 2025.

Consultation

The measures in the Amending Instrument collectively deliver on the Government's 2022 election commitment to fund outcomes of the Fair Work Commission's Aged Care Work Value Case, building on the \$11.3 billion commitment made in 2023 to fund the interim 15% award wage increase under Stage 2 of the Aged Care Work Value Case.

Specific to the increases to the hotelling supplement, routine indexation of the hotelling supplement on 20 March and 20 September each year using a well-established formula based on the CPI as a measure of the movements in the non-labour costs of providers is standing government policy. Addressing the gap IHACPA has previously identified between hotelling costs and the amount of the hotelling supplement by increasing the hotelling supplement from 1 July 2025 was announced as a 2024 MYEFO measure, with information available on the Department of Health and Aged Care website: <https://www.health.gov.au/our-work/AN-ACC/funding-higher-wages-in-residential-aged-care>.

No specific consultation was undertaken with respect to the specific subsidy and supplement increases applied in this Amending Instrument. Information about the new rates of aged care subsidies and supplements will be disseminated by the Department of Health and Aged Care (department) through electronic media to approved providers and through updated guidance documents published on the department's website.

Impact Analysis

The Office of Impact Analysis has advised that a detailed impact analysis is not required for any of the measures in the Amending Instrument (OIA25-08859).

General

The Amending Instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

Details of the Amending Instrument are set out in **Attachment A**.

The Amending Instrument is compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in **Attachment B**.

Details of the Aged Care Legislation Amendment (March Residential Care Subsidy Increase) Determination 2025

Section 1 – Name

Section 1 provides that the name of the instrument is the *Aged Care Legislation Amendment (March Residential Care Subsidy Increase) Determination 2025*.

Section 2 – Commencement

Section 2 provides that Schedule 1 commences on 1 March 2025, that Schedule 2 commences on 20 March 2025 and that Schedule 3 commences on 1 July 2025.

Section 3 – Authority

Section 3 provides that the instrument is made under the *Aged Care Act 1997* and the *Aged Care (Transitional Provisions) Act 1997*.

Section 4 – Schedules

Section 4 provides that each instrument that is specified in a Schedule to the instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the instrument has effect according to its terms.

Schedule 1 – 1 March 2025 subsidy increases

Aged Care (Subsidy, Fees and Payments) Determination 2014

Item 1 – Section 64H (definition of *national efficient price*)

This item amends section 64H to provide that the national efficient price for residential care activity is \$282.44 (with effect from 1 March 2025).

Item 2 – Subsections 64ZU(5) to (6C)

This item repeals subsections 64ZU(5) to (6C) and substitutes new subsections 64ZU(5) to (6C).

New subsection 64ZU(5) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 1. The facility amount is set out in the table in subsection 64ZU(5), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(5) provides that the facility amount for group A qualifying facilities in MM category 1 (that is, group A qualifying facilities in metropolitan areas), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$27,802 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$24,790 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$13,531 for the payment period.
- where the average daily care count is more than 30 but less than or equal to 35, the facility amount is \$10,982 for the payment period.

- where the average daily care count is more than 35 but less than or equal to 40, the facility amount is \$8,434 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45, the facility amount is \$5,885 for the payment period.
- Where the average daily care count is more than 45 but less than or equal to 50, the facility amount is \$3,337 for the payment period.

New subsection 64ZU(5A) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 2 or 3. The facility amount is set out in the table in subsection 64ZU(5A), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(5A) provides that the facility amount for group A qualifying facilities in MM 2 and 3 (that is, group A qualifying facilities in regional centres and large rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$30,536 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$27,228 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$14,860 for the payment period.
- where the average daily care count is more than 30 but less than or equal to 35, the facility amount is \$12,062 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40, the facility amount is \$9,263 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45, the facility amount is \$6,464 for the payment period.
- Where the average daily care count is more than 45 but less than or equal to 50, the facility amount is \$3,664 for the payment period.

New subsection 64ZU(5B) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 4 or 5. The facility amount is set out in the table in subsection 64ZU(5B), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(5B) provides that the facility amount for the period for group A qualifying facilities in MM 4 and 5 (that is, group A qualifying facilities in medium and small rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$72,840 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$61,804 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$50,767 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$39,731 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$27,912 for the payment period.

- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$15,234 for the payment period.
- Where the average daily care count is more than 30 but less than or equal to 35 the facility amount is \$12,364 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40 the facility amount is \$9,495 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45 the facility amount is \$6,626 for the payment period.
- where the average daily care count is more than 45 but less than or equal to 50 the facility amount is \$3,756 for the payment period.

New subsection 64ZU(5C) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 6 or 7. The facility amount is set out in the table in subsection 64ZU(5C), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(5C) provides that the facility amount for the period for group A qualifying facilities in MM 6 and 7 (that is, group A qualifying facilities in remote and very remote communities), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$86,378 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$73,290 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$60,203 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$47,115 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$33,009 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$18,065 for the payment period.
- Where the average daily care count is more than 30 but less than or equal to 35 the facility amount is \$14,663 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40 the facility amount is \$11,261 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45 the facility amount is \$7,857 for the payment period.
- where the average daily care count is more than 45 but less than or equal to 50 the facility amount is \$4,455 for the payment period.

New subsection 64ZU(6) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 1. The facility amount is set out in the table in subsection 64ZU(6), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(6) provides that the facility amount for group B qualifying facilities in MM 1 (that is, group B qualifying facilities in metropolitan areas), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$13,902 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$12,395 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$6,766 for the payment period.

New subsection 64ZU(6A) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM2 or 3. The facility amount is set out in the table in subsection 64ZU(6A), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(6A) provides that the facility amount for group B qualifying facilities in MM 2 and 3 (that is, group B qualifying facilities in regional centres and large rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$15,268 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$13,614 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$7,431 for the payment period.

New subsection 64ZU(6B) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 4 or 5. The facility amount is set out in the table in subsection 64ZU(6B), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(6B) provides that the facility amount for the period for group B qualifying facilities in MM 4 and 5 (that is, group B qualifying facilities in medium and small rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$36,421 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$30,902 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$25,384 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$19,866 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$13,956 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$7,618 for the payment period.

New subsection 64ZU(6C) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 6 or 7. The facility amount is set out in the table in subsection 64ZU(6C), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 64ZU(6C) provides that the facility amount for the period for group B qualifying facilities in MM 6 and 7 (that is, group B qualifying facilities in remote and very remote communities), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$43,190 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$36,646 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$30,102 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$23,558 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$16,550 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$9,033 for the payment period.

'Modified Monash Model' and 'MM category' have the same meanings as in section 64H of the Subsidy Determination. Modified Monash Model means the 2019 model developed by the department to categorise areas according to geographical remoteness and population size, as the model existed on 1 October 2022. MM category means a category for an area provided for by the Modified Monash Model and known as MM 1, MM 2, MM 3, MM 4, MM 5, MM 6 or MM 7.

The average daily care count is worked out in accordance with subsections 64ZU(7) and (8).

Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014

Item 3 – Section 81 (Definition of *national efficient price*)

This item amends section 81 to provide that the national efficient price for residential care activity is \$282.44 (with effect from 1 March 2025).

Item 4 – Subsections 91S(5) to (6C)

This item repeals subsections 91S(5) to (6C) and substitutes new subsections 91S(5) to (6C). New subsection 91S(5) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 1. The facility amount is set out in the table in subsection 91S(5), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(5) provides that the facility amount for group A qualifying facilities in MM 1 (that is, qualifying facilities in metropolitan areas), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$27,802 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$24,790 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$13,531 for the payment period.
- where the average daily care count is more than 30 but less than or equal to 35, the facility amount is \$10,982 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40, the facility amount is \$8,434 for the payment period.

- where the average daily care count is more than 40 but less than or equal to 45, the facility amount is \$5,885 for the payment period.
- Where the average daily care count is more than 45 but less than or equal to 50, the facility amount is \$3,337 for the payment period.

New subsection 91S(5A) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 2 or 3. The facility amount is set out in the table in subsection 91S(5A), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(5A) provides that the facility amount for group A qualifying facilities in MM 2 and 3 (that is, qualifying facilities in regional centres and large rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$30,536 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$27,228 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$14,860 for the payment period.
- where the average daily care count is more than 30 but less than or equal to 35, the facility amount is \$12,062 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40, the facility amount is \$9,263 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45, the facility amount is \$6,464 for the payment period.
- Where the average daily care count is more than 45 but less than or equal to 50, the facility amount is \$3,664 for the payment period.

New subsection 91S(5B) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 4 or 5. The facility amount is set out in the table in subsection 91S(5B), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(5B) provides that the facility amount for the period for group A qualifying facilities in MM 4 and 5 (that is, facilities in medium and small rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$72,840 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$61,804 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$50,767 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$39,731 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$27,912 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$15,234 for the payment period.

- Where the average daily care count is more than 30 but less than or equal to 35 the facility amount is \$12,364 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40 the facility amount is \$9,495 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45 the facility amount is \$6,626 for the payment period.
- where the average daily care count is more than 45 but less than or equal to 50 the facility amount is \$3,756 for the payment period.

New subsection 91S(5C) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 6 or 7. The facility amount is set out in the table in subsection 91S(5C), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(5C) provides that the facility amount for the period for group A qualifying facilities in MM 6 and 7 (that is, facilities in remote and very remote communities), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$86,378 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$73,290 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$60,203 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$47,115 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$33,009 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$18,065 for the payment period.
- Where the average daily care count is more than 30 but less than or equal to 35 the facility amount is \$14,663 for the payment period.
- where the average daily care count is more than 35 but less than or equal to 40 the facility amount is \$11,251 for the payment period.
- where the average daily care count is more than 40 but less than or equal to 45 the facility amount is \$7,857 for the payment period.
- where the average daily care count is more than 45 but less than or equal to 50 the facility amount is \$4,455 for the payment period.

New subsection 91S(6) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 1. The facility amount is set out in the table in subsection 91S(6), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(6) provides that the facility amount for group B qualifying facilities in MM 1 (that is, group B qualifying facilities in metropolitan areas), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$13,920 for the payment period.

- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$12,395 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$6,766 for the payment period.

New subsection 91S(6A) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 2 or 3. The facility amount is set out in the table in subsection 91S(6A), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(6A) provides that the facility amount for group B qualifying facilities in MM 2 and 3 (that is, group B qualifying facilities in regional centres and large rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 20, the facility amount is \$15,268 for the payment period.
- where the average daily care count is more than 20 but less than or equal to 25, the facility amount is \$13,614 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30, the facility amount is \$7,431 for the payment period.

New subsection 91S(6B) provides the facility amount for a payment period for a group B qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 4 or 5. The facility amount is set out in the table in subsection 91S(6B), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(6B) provides that the facility amount for the period for group B qualifying facilities in MM 4 and 5 (that is, group B qualifying facilities in medium and small rural towns), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$36,421 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$30,902 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$25,384 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$19,866 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$13,956 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$7,618 for the payment period.

New subsection 91S(6C) provides the facility amount for a payment period for a group A qualifying facility for a payment period with a street address in the Modified Monash Model MM category known as MM 6 or 7. The facility amount is set out in the table in subsection 91S(6C), with different amounts depending on the average daily care count for the facility for the period.

The table in subsection 91S(6C) provides that the facility amount for the period for group B qualifying facilities in MM 6 and 7 (that is, group B qualifying facilities in remote and very remote communities), and the amount, depending on the average daily care count, is as follows:

- where the average daily care count is less than or equal to 5 the facility amount is \$43,190 for the payment period.
- where the average daily care count is more than 5 but less than or equal to 10 the facility amount is \$36,646 for the payment period.
- where the average daily care count is more than 10 but less than or equal to 15 the facility amount is \$30,102 for the payment period.
- where the average daily care count is more than 15 but less than or equal to 20 the facility amount is \$23,558 for the payment period.
- Where the average daily care count is more than 20 but less than or equal to 25 the facility amount is \$16,550 for the payment period.
- where the average daily care count is more than 25 but less than or equal to 30 the facility amount is \$9,033 for the payment period.

'Modified Monash Model' and 'MM category' have the same meanings as in section 81 of the Transitional Provisions Determination. Modified Monash Model means the 2019 model developed by the department to categorise areas according to geographical remoteness and population size, as the model existed on 1 October 2022. MM category means a category for an area provided for by the Modified Monash Model and known as MM 1, MM 2, MM 3, MM 4, MM 5, MM 6 or MM 7.

The average daily care count is worked out in accordance with subsections 91S(7) and (8).

Schedule 2 – 20 March 2025 subsidy increases

Aged Care (Subsidy, Fees and Payments) Determination 2014

Item 1 – Section 64ZT

This item amends section 64ZT to provide that the amount of the hotelling supplement for a day for a care recipient is \$13.46 (with effect from 20 March 2025).

Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014

Item 2 – Section 91R

This item amends section 91R to provide that the amount of the hotelling supplement for a day for a continuing residential care recipient is \$13.46 (with effect from 20 March 2025).

Continuing residential care recipient means a person who:

- entered a residential care service before 1 July 2014, and
- has not:
 - ceased to be provided with residential care by a residential care service for a continuous period of more than 28 days (other than because the person is on leave), or
 - before moving to another residential care service, made a written choice, in accordance with the Fees and Payments Principles, covered by Chapters 3 and 3A of the Aged Care Act in relation to the other service (see Schedule 1 of the Aged Care Act).

Schedule 3 – 1 July 2025 subsidy increases

Aged Care (Subsidy, Fees and Payments) Determination 2014

Item 1 – Section 64ZT

This item amends section 64ZT to provide that the amount of the hotelling supplement for a day for a care recipient is \$15.60 (with effect from 1 July 2025).

Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014

Item 2 – Section 91R

This item amends section 91R to provide that the amount of the hotelling supplement for a day for a continuing residential care recipient is \$15.60 (with effect from 1 July 2025).

Continuing residential care recipient means a person who:

- entered a residential care service before 1 July 2014, and
- has not:
 - ceased to be provided with residential care by a residential care service for a continuous period of more than 28 days (other than because the person is on leave), or
 - before moving to another residential care service, made a written choice, in accordance with the Fees and Payments Principles, covered by Chapters 3 and 3A of the Aged Care Act in relation to the other service (see Schedule 1 of the Aged Care Act).

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Aged Care Legislation Amendment (March Residential Care Subsidy Increase) Determination 2025

This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny Act) Act 2011*.

Overview of the Legislative Instrument

The *Aged Care Legislation Amendment (March Residential Care Subsidy Increase) Determination 2025* (Amending Instrument) amends the *Aged Care (Subsidy, Fees and Payments) Determination 2014* and the *Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014*.

The Amending Instrument increases the dollar amount of the National Efficient Price on which residential aged care subsidy is based and the dollar amount of the registered nurse supplement payable to approved providers of qualifying facilities in respect of an eligible care recipient on a day from 1 March 2025. The Amending Instrument also increases the dollar amount of the hotelling supplement to approved providers of residential care in respect of an eligible care recipient on a day from 20 March 2025 and from 1 July 2025.

Human Rights Implications

The Amending Instrument engages the following human rights contained in Articles 11(1) and 12(1) of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR) and Articles 25 and 28 of the *Convention of the Rights of Persons with Disabilities* (CRPD):

- the right to an adequate standard of living, including with respect to food, clothing and housing, and the right to the continuous improvement of living conditions (Article 11(1) of ICESCR and Article 28 of CPRD); and
- the right to the enjoyment of the highest attainable standard of physical and mental health (Article 12(1) of ICESCR and Article 25 of the CPRD).

Residential aged care subsidies and supplements are payable to approved providers for the provision of care and services to people living in aged care facilities who require assistance to achieve and maintain the highest standard of physical and mental health.

These changes are designed to ensure that government funding keeps pace with increases in aged care worker award wage rates and helps ensure that aged care providers continue to receive sufficient funds in order to provide care recipients with a high standard of living and care.

The Amending Instrument positively engages the rights set out in Articles 11(1) and 12(1) of the ICESCR and Articles 25 and 28 of the CRPD by promoting the right to an adequate standard of living and the right to the enjoyment of the highest attainable standard of physical and mental health for persons receiving aged care.

Conclusion

This legislative instrument is compatible with human rights because it promotes the right to an adequate standard of living and the highest attainable standard of physical and mental health.

The Hon Anika Wells MP
Minister for Aged Care