



Ageing
Australia

Ageing Australia: 2025-26 federal budget analysis

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About Ageing Australia

Ageing Australia is the national peak body representing providers across the aged care sector, including retirement living, seniors housing, residential care, home care, community care and related services.

We represent the majority of service providers, working together to create a sector that empowers older Australians to age with dignity, care and respect.

We advocate for a sector that champions excellence, sustainability and innovation, ensuring our members have the tools, resources and guidance they need to deliver exceptional services.

We use our united voice to amplify our members' contributions and concerns to government, media and the wider community.

We are committed to reshaping the future of ageing in Australia by fostering collaboration and driving meaningful change, making it a fulfilling journey.

2025-26 federal budget

Ageing Australia acknowledges the investment of \$2.6 billion dollars to support future pay rises for registered and enrolled aged care nurses in tonight's federal budget, but highlights more support is needed for the sector in order to prepare for sweeping reforms.

About the Budget

Treasurer Hon Dr Jim Chalmers MP delivered the 2025-26 Federal Budget on 25 March 2025. This is the final budget before the 2025 federal election. The headline story for the budget is cost-of-living relief, through tax cuts and energy rebates. We can expect other major announcements to be made during the federal election campaign. There is also a predicted budget deficit of \$42 billion in the next financial year.

The federal budget does not include much needed support for the sector to transition to the new Aged Care Act, including the Support at Home Program. Ageing Australia will use the federal election to campaign for increased investment, calling on all sides of politics to commit to supporting sensible and achievable transition.

Budget overview

Budget topic	Budget announcement
Headline Budget measure for aged care	\$291.6 million to continue delivering aged care reforms
Fair Work Commission Work Value Case	<p>\$2.6 billion over 5 years to fund the increase to the award for RNs and ENs, including:</p> <ul style="list-style-type: none"> • \$2.3 billion through AN-ACC • \$187.8 million to increase funding for home care and Support at Home • \$76.8 million for additional in-home services through CHSP and Support at Home • \$35.5 million over two years for historical leave entitlements • \$30.1 million for CHSP providers through an uplift in indexation • \$26.8 million to fund the increase for the 24/7 RN supplement

<p>New Aged Care Act reform</p>	<ul style="list-style-type: none"> • *\$116.1 million in 2025-26 for the Aged Care Quality & Safety Commission ('the Commission') to deliver its regulatory functions under the new Aged Care Act • *\$53.2 million in 2025-26 to continue implementation of the Single Assessment System • *\$37.8 million in 2025-26 for the Commission to support the staged digital implementation of the new Act
<p>Health and aged care</p>	<ul style="list-style-type: none"> • \$11.1 million in 2025-26 to support palliative care in residential aged care through state 'in-reach' services • *\$5.7 million in 2025-26 for the National Centre for Monitoring Dementia to monitor progress against the National Dementia Plan
<p>Specialisations (including First Nations)</p>	<ul style="list-style-type: none"> • *\$47.6 million over four years to support Aboriginal Community Controlled Health Organisations to deliver culturally appropriate aged care assessments

*(*These initiatives are part of the \$291.6 million implementation of aged care reforms measures)*

Workforce

Fair Work Commission Work Value Case

Overall

The Government is investing \$2.6 billion over five years to fund the pay increases for the minimum award wages for registered and enrolled nurses through the Work Value Case. This includes \$2.3 billion through AN-ACC, and \$187.8 million to increase funding for home care and Support at Home.

The Government will also provide \$88.3 million over five years from 2024–25 (and \$0.9 million per year ongoing) which includes:

- \$48.7 million over three years from 2024–25 for Commonwealth Home Support Programme providers to cover the cost of the increase in award wages.
- \$35.5 million over two years from 2025–26 to fund historical leave provisions for Commonwealth-funded aged care providers.
- \$3.0 million over five years from 2024–25 (and \$0.6 million per year ongoing) for the Independent Health and Aged Care Pricing Authority to develop supplementary Australian National Aged Care Classification funding model (AN-ACC) pricing advice and provide quality assurance.
- \$1.1 million over five years from 2024–25 (and \$0.3 million per year ongoing) to increase funding for the Multi-Purpose Services Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

The Government will also provide \$30.1 million over five years from 2024–25 (and \$7.8 million per year ongoing) to fund Commonwealth Home Support Programme providers, something we had called for, through a revised approach to indexation of existing grant agreements. The indexation is designed to cover the cost of the increase in award wages from the Fair Work Commission Stage 3 decision on the Aged Care Work Value Case.

Our comments

This commitment appears to fund the historical leave liability grant for the wage increases for registered and enrolled nurse from the first full pay period on or after 1 March 2025. This grant is not yet available.

Further, there is additional funding for CHSP through a changed approach to indexation. Ageing Australia has been advocating for increased funding for CHSP providers, since the first decision to not fund above award increases was made in Stage 2.

We will continue to pursue the Department for details of how this additional funding for CHSP will benefit providers.

Workforce and migration

Overall

There was no mention in the Budget regarding migration as it impacts the aged care sector. There were however some other aspects of the Budget that have the potential to impact on the aged care workforce, including:

- More scholarships for nurses to extend their skills and qualifications. It is not clear however whether this will include aged care nurses
- 100,000 Free TAFE places every year from 1 January 2027
- \$0.7 million in 2025–26 for Uniting Care Australia to continue the operation of the Aged Care Workforce Remote Accord, to support the aged care workforce in remote and very remote communities.

Our comments

Increased scholarships could support nurses in aged care to extend their skills and qualifications. The free TAFE places are currently available for the Certificate III in Individual Support (Aged Care). An increase in places could be utilised to support more Personal Care Workers achieving a Certificate III. Ageing Australia will seek further details regarding these measures and whether they will assist the aged care workforce.

Reform

New Aged Care Act Reform

Implementation of Aged Care Reforms

Overall

The Government will provide \$291.6 million over five years from 2024–25 (and an additional \$12.7 million in 2029–30) to continue the delivery of aged care reforms and the implementation of recommendations from the Royal Commission into Aged Care Quality and Safety.

The largest component of this measure is \$116.1 million in 2025–26 in additional funding for the Aged Care Quality and Safety Commission to deliver its regulatory functions under the *Aged Care Act 2024* from 1 July 2025.

The budget also includes:

- \$47.6 million over four years from 2025–26 (and an additional \$12.7 million in 2029–30) to support First Nations organisations to deliver culturally appropriate aged care assessments for First Nations people
- \$24.4 million in 2024–25 is being made available for additional Commonwealth Home Support Programme assessments to meet new requirements under the *Aged Care Act 2024*

\$3.6 million has also been provided to support an evaluation and stakeholder engagement in a review of the Aged Care Quality Standards. Given the strengthened Aged Care Quality Standards start on 1 July 2025, Ageing Australia will seek more information from the Department about this measure.

Our comments

We are disappointed that funding has not been made available to providers to prepare for and implement the aged care reforms starting on 1 July 2025. Ageing Australia will continue to advocate for achievable transition ahead of, and beyond, 1 July 2025, particularly in relation to implementation timelines, costs of transition, and lack of information available to support preparation.

In-home and community care

Home care packages

Overall

The budget confirms 83,000 Home Care Packages for the 2025-26 Financial year.

Our comments

As at 31 January 2025, there were 81,194 people on the Home Care Packages waitlist. For people with a medium priority, the estimated wait time for a Home Care Package level 4 following approval is up to 15 months ([MyAgedCare website](#)). StewartBrown modelling projects a rise in demand and wait times.

Ageing Australia remains concerned that these extended delays in service access, significantly compromising the health and well-being of older Australians.

We are strongly recommending that the federal government make additional investment to reduce the waitlist sooner.

Health and aged care

National Dementia Action Plan

Overall

The Budget includes \$5.7 million in 2025-26 to enable the National Centre for Monitoring Dementia to provide dementia data and monitor progress with the National Dementia Action Plan 2024-2034 (National Dementia Action Plan).

Our comments

Ageing Australia supports this investment, as data collection and monitoring will play an important role in ensuring that the measures included in the National Dementia Action Plan are implemented by state and territory government. It will also support evaluation of the impacts of these measures for people with dementia, their family members, carers

and the aged care sector. Further funding will be needed in future budgets to support implementation of the National Dementia Action Plan.

Palliative care

Overall

The Budget includes \$11.1 million to improve access to palliative care for older people in residential aged care homes. The funding will be distributed across states and territories, and will be used to support new approaches to improve palliative and end-of-life care, including 'in reach' services.

Our comments

Ageing Australia welcomes this investment, as members have provided feedback that current funding does not provide adequate support to cover the costs of delivering quality palliative and end-of-life care.

Health measures

Overall

The budget includes a range of health-related measures, including \$3.2 billion to make medicines more affordable (including for pensioners).

\$657.9 million has also been allocated to expand Urgent Care Clinics, which includes 50 new Medicare Urgent Care Clinics, expanding the total to 137 nationwide. These clinics offer bulk-billed, walk-in care for urgent but non-life-threatening conditions, reducing emergency department wait times.

Our comments

While the budget papers focus primarily on Medicare, cheaper medicines, and GP access, aged care recipients are likely to benefit from:

- Improved access to medical professionals in aged care facilities
- Lower medicine costs for those on the PBS
- Reduced hospital pressure, allowing better emergency care access for elderly patients.

The papers do not specify direct aged care funding to states & territories, but health funding agreements with states will no doubt support hospitals and aged care services.

Further follow up is required to ascertain the impact for aged care and older Australians.

Specialisations

Culturally appropriate aged care assessments

Overall

The Budget includes \$47.6 million over four years from 2025-26 (and an additional \$12.7 million in 2029-30) to enable First Nations organisations to deliver culturally appropriate aged care assessments for First Nations people.

Our comments

Ageing Australia supports this measure which should help to improve First Nations older people's experience of accessing aged care services. It is aligned with the focus in both the new Aged Care Act and Strengthened Aged Care Quality Standards on providing access to culturally safe care for First Nations people.

Next steps

Follow up on 2025-26 federal budget

Now that the federal budget has been released, all focus turns to the federal election. Ageing Australia will be calling on all sides of politics to do more to support transition. Following this budget, we will:

- Address the media, saying this Budget does not do enough to support transition. [Ageing Australia's media release](#)
- Talk directly to ministers and their advisors about the federal budget, and lobby for more support for transition, workforce and improved access to care
- Launch our [2025 federal election campaign](#)
- Meet with departments, to discuss how budget measures will be implemented
- Continue advocacy through the transition taskforce, submissions, working groups and meetings
- Listen to members to get your feedback

We will continue to update members as we learn more post-Budget. You can stay in touch via our weekly newsletter, Ageing Australia *Informer* as well as participation in member forums and policy feedback groups.

Please contact the policy and advocacy team at policy@accpa.asn.au with any questions to or to share your views.