

Residential Aged Care Supplementary Pricing Advice 2024–25

February 2025



IHACPA

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1. Overview

1.1 Independent Health and Aged Care Pricing Authority

The Independent Health and Aged Care Pricing Authority (IHACPA) is established under the *National Health Reform Act 2011* (Cth) (NHR Act) and by virtue of section 131A(1) of the NHR Act is invested with the following functions relevant to this Residential Aged Care Supplementary Pricing Advice 2024–25:

- a) to provide advice to each relevant Commonwealth Minister in relation to one or more aged care pricing or costing matters, including in relation to methods for calculating amounts of subsidies to be paid under the *Aged Care Act 1997* (Cth) or the *Aged Care (Transitional Provisions) Act 1997* (Cth);
- b) such functions relating to aged care (if any) as are specified in regulations made for the purposes of this paragraph;
- c) to conduct, or arrange for the conduct of, one or more of the following activities for the purpose of performing a function mentioned in paragraph (a) or (b):
 - i. the collection and review of data;
 - ii. costing and other studies;
 - iii. consultations;
- d) to do anything incidental to or conducive to the performance of the above functions.

This Advice is an output of the performance of those functions by the Pricing Authority.

In this document, the 'Pricing Authority' refers to the governing body, as established under the NHR Act, and 'IHACPA' refers to the agency.

This Advice supplements the [Residential Aged Care Pricing Advice 2024–25](#), published by the Pricing Authority on 18 September 2024.

This Advice updates the recommended Australian National Aged Care Classification price to incorporate the Fair Work Commission's determination on the [Work value case – Nurses and midwives](#) Nurses Award 2020, issued on 20 December 2024.

2. Residential Aged Care Supplementary Pricing Advice 2024–25

Section 2.1 in this Advice replaces section 3.2 in the Residential Aged Care Pricing Advice 2024–25, published on 18 September 2024. This Advice should be read in conjunction with the Residential Aged Care Pricing Advice 2024–25.

2.1 The recommended Australian National Aged Care Classification price

The Pricing Authority recommends the Australian National Aged Care Classification (AN-ACC) price for the period from 1 October 2024 to 28 February 2025 to be **\$280.01** per national weighted activity unit (NWAU), increasing to **\$282.44** per NWAU from 1 March 2025 to 30 September 2025.

The recommended AN-ACC price for 1 October 2024 is calculated by indexing the average cost per NWAU of \$214.21 in 2021–22, adjusted to meet the minimum care minute requirements, by a total of 30.2%. This indexation rate is a combination of:

- the Fair Work Commission Work value case – Aged care industry Stage 2 and 3 decisions (13.1%)
- superannuation guarantee increase (1.3%)
- inflation and wage rises, including the Annual Wage Review 2023–24 (13.5%).

\$1.18 is added to the price to account for changes made by the Australian Government to the AN-ACC pricing cycle, and cover the difference in funding had the AN-ACC price been updated from 1 July 2024, instead of 1 October 2024.

The price is then indexed by a further 0.9% to account for the Fair Work Commission’s determination on the Work value case – Nurses and midwives Nurses Award 2020, effective 1 March 2025.

The AN-ACC price is intended to be multiplied by the total AN-ACC NWAU to calculate the total AN-ACC subsidy.

Further detail on the methodology underpinning this Advice is detailed in the Residential Aged Care Supplementary Pricing Advice 2024–25 Technical Specifications.



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