

The **new** aged care REALITY



One year after the introduction of the new Aged Care Act, older Australians and their families are adjusting to a changed aged care landscape that includes new funding arrangements, higher costs for new entrants and ongoing service demand.

Most of us want to remain living at home and be independent for as long as possible and the Support at Home program is designed to do just that. This program replaced the Home Care Package and is the main way individuals could receive government aged care subsidies to remain at home for longer.

However, there is an incremental waiting list and demand for the eight levels of funding under Support at Home is continuing to exceed the places that are available. As a result, most people are relying on the less robust Commonwealth Home Support Program (CHSP) for subsidised help or they are paying for help privately.

Thankfully, the CHSP entry level aged care funding currently being used by about 850,000 Australians, which was to be wound up in July 2027, has been extended to July 2029 while the government determines how this program can continue to support the community in the longer-term.

For many, it remains a cheaper option for the limited services such as domestic help and social support that many people need to remain at home.

Support at Home

Support at Home has higher home care package budgets that range from \$11,000 to \$80,000 a year, which recipients may need to contribute to depending on their income as well as the services they choose.

Those with Support at Home packages can choose government-approved services from three categories: clinical care (such as nursing and personal care); independence

Support at Home client contributions based on service

Client contribution: % of cost			
	Clinical Care: personal care, nursing, allied health	Independence Support: social support and transport	Everyday living: domestic help and meals
Full (means tested) pensioner	0%	5%	17.5%
Part pensioner and Commonwealth Senior Health Card Holder	0%	5-50%	17.5-80%
Self-funded or not means tested	0%	50%	80%

support (such as transport and social support) and everyday living services (such as gardening, meal preparation and cleaning).

Clinical care is fully funded by the Government (which now includes personal care) but the other categories may require client contributions as shown in the table.

The Extra financial support was also introduced on 1 November 2025 and available to approved recipients for:

Restorative care: Provides up to \$6,000 or \$12,000 for intensive nursing support over 16 weeks.

Assistive technology and home modifications: Provides upfront access to approved equipment, products, and home modifications based on assessed needs, without requiring participants to save funds from their standard package.

End-of-life care services at home: Provides around \$25,000 in short-term support during the final months of life.ⁱ

Residential care

Australians are living longer and demand for suitable home care services continues to put pressure on residential aged care.

To help aged care providers access funds to build more aged care rooms, there is now a 2 per cent a year retention fee on the Refundable Accommodation Deposit paid.

The fee is capped at 10 per cent.

Residents can still opt to 'rent a room' and pay a Daily Accommodation Payment, however the cost goes up every six months in line with inflation.

The other fees now applicable to new residents with assets above the minimum thresholds are: the basic daily fee (set at 85 per cent of the single age pension); a hotelling contribution and a non-clinical care contribution.

An increasing number of facilities are also charging a higher everyday living fee (previously known as extra or additional services) and it covers things like a television in the room, hot breakfasts, clothes labelling and weekly high tea.

The annual cap on means tested care fees no longer exists but there is a lifetime cap on the non-clinical care contribution (and the income tested contributions to support at home services) of about \$137,000 a year (indexed).

Seeking advice

Navigating aged care is very complex and financial advice can help you or a family member understand your current financial position well before you need to access aged care. We can help to reduce stress on the family, so you can make a considered decisions to suit financial, lifestyle and care needs.

ⁱ <https://www.agedcarequality.gov.au/older-people/support-home>