

SUPPLEMENTARY EXPLANATORY STATEMENT

Aged Care Act 1997

Aged Care (Subsidy, Fees and Payments) Amendment (Multi-Purpose Services Subsidy Increase No. 2) Determination 2024

Purpose of supplementary explanatory statement

This supplementary explanatory statement provides additional information about the consultation that occurred in relation to the *Aged Care (Subsidy, Fees and Payments) Amendment (Multi-Purpose Services Subsidy Increase No. 2) Determination 2024* (the Amending Determination). The Amending Determination amended the *Aged Care (Subsidy, Fees and Payments) Determination 2014* (the Subsidy Determination).

It also clarifies that the references to the Amending Determination in the heading and first sentence of the original explanatory statement should have been to the *Aged Care (Subsidy, Fees and Payments) Amendment (Multi-Purpose Services Subsidy Increase No. 2) Determination 2024*, which is the correct title for this determination.

Consultation

Consultation was undertaken in relation to the changes to Multi-Purpose Service (MPS) program arrangements implemented on 1 July 2024 by the Amending Determination.

Consultations took place with the MPS Working Group and MPS providers between February and May 2024, prior to the Amending Determination being made on 18 June 2024.

These consultations were conducted through Working Group meetings, bilateral discussions with jurisdictions, and a webinar for all MPS providers. They explained, and discussed, the changes that were proposed to be included in the Amending Determination, that is:

- applying routine indexation to MPS subsidy and supplement amounts from 1 July 2024;
- further adjustments to spread additional funding, made available from 1 April 2024 to MPS providers to accommodate the 2022-23 Annual Wage Review decision of the Fair Work Commission, across payments for a full financial year;
- including a new direct care minutes supplement to support MPS providers in participating States or Territories trialling direct care target arrangements; and
- minor technical amendments to the Subsidy Determination.

Following the above consultations, no concerns were raised by Working Group members or MPS providers about the proposed changes or approach to amending the Subsidy Determination for commencement on 1 July 2024. As a result, it was not considered necessary or appropriate to consult again on a draft of the Amending Determination.

This decision took into account that:

- the only practical effect of the above changes (including indexation) was to increase the level of funding available to MPS providers;
- it is standard practice for MPS subsidy amounts to be increased for the financial year to cater for indexation on 1 July each year, and where this occurs the exact amount of the increase is not typically consulted on in advance; and

- the payment agreements between the Commonwealth and MPS providers outline that MPS providers will be notified of the Commonwealth's indexation contribution under the agreement for each financial year and any other increases to this amount that occur during a financial year.

The Hon Anika Wells MP
Minister for Aged Care