



Aged Care Wages – Historical Leave Liability Grant Opportunity

Fact sheet for aged care providers

The Australian Government is helping aged care providers cover the increased cost of historical leave liabilities in the 2023-24 financial year for workers whose wages increased due to the Fair Work Commission decision.

Fair Work Commission wage increase

In the 2023-24 Budget, the Australian Government invested \$11.3 billion to meet the [Fair Work Commission's \(FWC\) decision to increase award wages by 15%](#) for many aged care workers, including their leave liabilities. This increase came into effect from the first pay period on or after 30 June 2023.

How are historical leave liabilities being funded?

The Aged Care Wages – Historical Leave Liability Grant Opportunity will provide \$130.9 million in 2023-24 to fund aged care providers for 50% of the cost of increased leave entitlements in the 2023-24 financial year, directly attributable to the 15% wage increase.

As providers are unable to forecast exactly when workers will draw down on their leave entitlements, this one-off grant will enable providers to pay accrued leave liabilities that increased from the first full pay period on or after 30 June 2023, directly attributable to the 15% wage increase.

Who is eligible to apply?

Approved providers for the following programs are eligible to apply:

- Residential Aged Care
- Home Care Packages Program
- Commonwealth Home Support Programme
- Transition Care Program
- Short-Term Restorative Care Program
- Multi-Purpose Services
- National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

You must use the grant funding to pay the difference in costs for accrued leave entitlements to eligible staff at the higher rate, including payment of leave entitlements when a staff member resigns.

Which types of leave are eligible?

Eligible leave liabilities are:

- long service leave (recognised at the first full pay period on or after 30 June 2023)
- recreation leave (also known as annual leave)
- personal leave (also known as sick leave).

Funding can only be claimed to 'top up' relevant historical leave entitlements that are directly attributable to the FWC's decision. This includes payment of leave entitlements when a staff member resigns.

Which aged care workers are eligible?

Eligible aged care workers, that work for providers receiving Commonwealth funding for aged care, are those that have had their wages increased due to the FWC's decision:

- assistants in nursing
- enrolled nurses
- registered nurses
- personal care workers
- home aged care workers
- head chefs and cooks
- recreational activities officers (lifestyle workers).

Who is not eligible to apply?

You are not eligible to apply if you are:

- not an eligible aged care provider, as outlined in the Grant Opportunity Guidelines
- an organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme'
- a Multi-Purpose-Services Program provider who is state Government funded and / or operated
- a Department of Veterans' Affairs (DVA) provider of Veterans' Home Care (VHC) or Community Nursing (CN) programs only, and you are not a registered aged care provider
- an aged care provider who is not funded to deliver aged care services by the Commonwealth. an individual aged care worker.

Why is only 50% of the value of increased leave liabilities being funded?

This grant will allow aged care providers to access funding for leave taken in the short-term, avoiding any cash-flow constraints that may impact financial viability or inhibit providers supporting aged care workers' leave requests.

A standardised approach across all aged care programs regarding the proportion of eligible funding (i.e. 50% of the cost of increased leave entitlements in the 2023-24 financial year, directly attributable to the 15% wage increase) will streamline the application process for providers with workers across multiple types of aged care programs and ensures equitable outcomes across programs and provider types.

Not all the leave liabilities currently held by providers will result in a payment of leave taken by an employee. For example, personal leave is not paid out when a staff member resigns. So, by funding 50%, the Government is providing a reasonable contribution to leave liabilities. The Government's \$11.3 billion investment includes ongoing funding for on-costs that fund providers to pay for leave entitlements in line with the 15% wage increase.

How do I calculate how much funding to apply for?

The maximum funding that can be applied for is equivalent to 50% of the cost of increased leave entitlements in the 2023-24 financial year, directly attributable to the FWC's decision of a 15% wage increase, across all aged care program types your organisation provides.

Applicants should **only** include actual wage costs in the application. On-costs **should not** be included in the funding requested. Subcontracted staff **should not** be included in the funding requested.

Please refer to the [Grant Opportunity Guidelines](#) for detailed steps on how funding amounts for each program type should be calculated.

What if I have workers across multiple types of aged care programs?

Only one eligible application per organisation will be considered for funding across all programs your organisation delivers.

Funding is at the organisation level rather than at the individual program type. Applicants will need to determine the proportion of time workers spend on each program type and determine how much (the proportion of) of the historical leave liabilities for each worker relates to each program type.

What information do I need to apply?

Please refer to the [Grant Opportunity Guidelines](#) for detailed steps on how to apply for this grant opportunity.

Where can I find more information?

Providers will need to apply online via [GrantConnect](#) before 2pm (AEDT) on 31 January 2024.

For more information about eligibility criteria and how to apply, please refer to the [Grant Opportunity Guidelines](#).

If you have additional questions, please email the Department of Health and Aged Care at Grant.ATM@health.gov.au, and reference the Grant Opportunity number (GO6625).

Information for Department of Veterans' Affairs providers

If you are a DVA provider for either the Veterans' Home Care (VHC) or Community Nursing (CN) programs and are also a registered aged care provider, you will need to apply for leave liability funding through this grant.

If you are a DVA provider for either VHC or CN programs and are not a registered aged care provider, funding for leave liabilities will be managed separately by DVA.

Information about how to apply for the leave liability funding through DV, and what evidence will be required to support your application, will be made available in the near future. It is anticipated this will occur in line with when the grant opportunity opens.