



Stage 3 Aged care award wage rise implementation considerations for providers

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Acknowledgement of Country

I would like to acknowledge the Traditional Owners and Custodians of the lands on which we meet today and pay my respects to Elders past, present and emerging.

I would like to extend that acknowledgement and respect to any Aboriginal and Torres Strait Islander peoples here today.

Questions

- Submit questions via Q&A function in Slido (right side of screen)
- Type question and hit 'Enter'

Overview

Stephanie Kaiser

Assistant Secretary

Aged Care Workforce Branch





Increase to award wages for many aged care workers

Aged Care Award 2010

- General employees including administration staff, drivers, maintenance staff, gardeners, laundry hands, cleaners, and food services assistants.
- Direct care employees include personal care workers, recreational or lifestyle activities officers. Assistants in nursing/nursing assistants will also be included.

Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS)

- Home care employees whose primary role is to provide home care to aged care clients. Assistants in nursing/nursing assistants will also be included.

Nurses Award 2020

- Assistants in nursing/nursing assistants – moving to the Aged Care and SCHADS Award.

Funding the Fair Work Commission Stage 3 award wage increases & other wage related costs

- \$3.8 billion (over 4 years from 2024-25) for the following eligible programs:
 - Residential aged care;
 - Home Care Packages;
 - Commonwealth Home Support Programme;
 - Specialist aged care programs;
 - Department of Veterans' Affairs Home Care and Community Nursing Programs
 - Historical Leave Liabilities



Classification changes for aged care workers

Christopher Crisafi

Director

Office of the Fair Work Ombudsman



Classification Changes

New classification structures have been introduced that will require some employees to be reclassified

Instructions on how employees will be translated into the new classification structures are available in **the determinations**

Providers are required to ensure employees are transitioned to the **correct new award classifications**

Classification Change Example

- Home care workers in aged care with three months' experience, previously classified under Home Care Employee Level 1 (SCHADS Award 2010), will be reclassified to Level 2.
- This reclassification increases their hourly award wage from \$28.94 to \$31.64, resulting in a \$2.70 per hour raise.

New Hourly Wage Rate Classification (excerpt)

Classification under the <i>SCHADS Award 2010</i>	Current hourly award rate	New hourly award rate
Home care employee level 1 – aged care		
Pay point 1	\$28.94	\$29.81
Home care employee level 2 – aged care		
Pay point 1	\$30.61	\$31.64

Classification Change Example

- Direct care workers in aged care, previously classified under Aged care employee - direct care - level 4 (Aged Care Award 2010), will be reclassified to aged care employee – direct care - level 3 - Qualified.
- This reclassification increases their hourly award wage from \$31.24 to \$32.14, resulting in a \$0.90 per hour raise.

New Hourly Wage Rate Classification (excerpt)

Classification under the <i>Aged Care Award 2010</i>	Current hourly award rate	New hourly award rate
Aged Care Employee – Direct Care - Level 3 - Qualified		
Pay point 1	\$31.24 (Level 4)	\$32.14

Questions?

- Contact us on the channels below for further advice
- Consult our standalone webpage [Aged Care Work Value Case: Changes to awards](#) for further information



/fairwork.gov.au



Infoline: 13 13 94



The Fair Work Ombudsman



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The screenshot shows the Fair Work Ombudsman website. The header includes the logo, navigation links (Home, About us, Workplace laws, Award changes), and user options (English, Login, Register). A sidebar menu on the left lists various topics, with 'Aged Care Work Value Case: Changes to awards' highlighted. The main content area features the title 'Aged Care Work Value Case: Changes to awards', the publication date 'Published 3 October 2024 | Updated 1 November 2024', and a brief description: 'Learn more about the upcoming changes to classifications and minimum pay rates for some employees in the aged care sector.' Below this, a section titled 'On this page:' lists several links: 'Background to the changes', 'Employees in the Aged Care Award', 'Pay rate increases', 'New streams for home care employees in the SCHADS Award', 'Award coverage for nursing assistants in aged care', 'More information', 'Keep up to date', and 'Related information'.



Residential aged care funding

Mark Richardson

Assistant Secretary

Residential Care Funding Reform Branch



Fair Work Commission Stage 3 – residential care



\$3.3 billion to fund the award wage increase in residential aged care

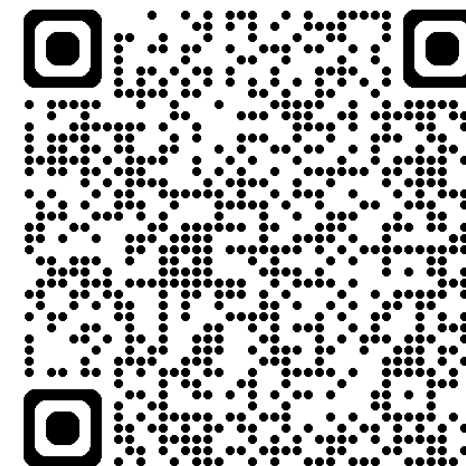
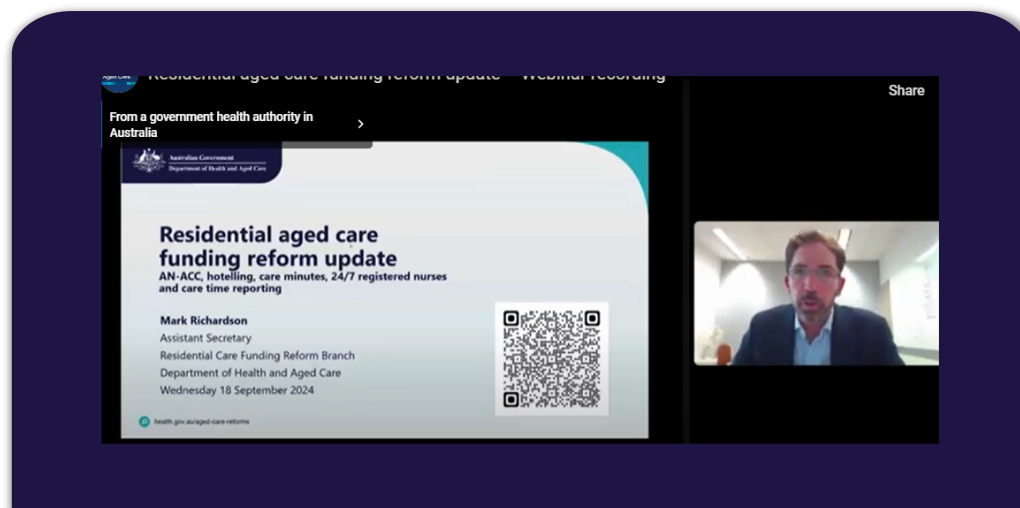
Increase for direct care workers (\$2.7 billion over 4 years from 2024-25)

- 1 Oct 2024 – AN-ACC price increase to \$280.01 included the funding uplift to meet additional wage costs
- Personal care workers, assistants in nursing, recreational activities officers
- Funding split over two tranches (1 January 2025 and 1 October 2025).

Aged care – general workers (\$537 million over 4 years from 2024-25)

- 20 Sept 2024 – increase to hotelling supplement to \$12.55, included \$1.09 to meet additional wage costs
- Administration staff, laundry hands, cleaners, food services assistants etc.

Residential aged care funding webinar



- Information on these and other major residential aged care funding changes were discussed at the Residential aged care funding reform update webinar on 18 September 2024.
- Use the QR code for a recording of the webinar, webinar slides, webinar script, and post-webinar Questions and Answers.

Home care funding

Rachel Blackwood

Assistant Secretary

Home Support Operations



Home Care Package Program – subsidy increase



- \$356.4 million to increase the Home Care Package subsidy
- Two stages:
 - 0.93% increase from 1 January 2025
 - 0.44% increase from 1 October 2025, subject to the passage of the new Aged Care Act and the Support at Home program that will replace the Home Care Packages Program on 1 July 2025.

Home Care Package Program – next steps for providers

- Discuss these changes with care recipients
- Gain consent from your care recipients to update their Home Care Agreements (as per legislation)
- Adjust pricing models as required:
 - must be reasonable and justifiable
 - only for care and services delivered by workers receiving wage increase
 - publish prices on My Aged Care.



Commonwealth Home Support Programme



- Grant funding will be available later this calendar year to cover cost of increased wages of in-scope workers.
- To avoid any funding shortfall:
 - Unlike last year, there will be no automatic 6-month funding release for CHSP providers.
 - If any provider is significantly impacted by any delay in receiving funding applied for under this Grant Opportunity, they can request an early payment release of their monthly CHSP payment.

Historical Leave Liabilities

Mitch Docking

Director

Aged Care Workforce Branch



Historical Leave Liabilities



- Providers will be eligible to apply for the following:
 - 25% for residential aged care providers
 - 50% for all other eligible providers.
- Only one application per approved provider will be required for all eligible aged care programs.
- More information on the timing of the grant will be available soon – sign up to GrantConnect.

Historical Leave Liabilities – Grant Application Process

- An online template will be available, to enter de-identified staffing details about classification levels and staffing.
- Once your workforce capture template is complete, the workbook provides estimates of your expected increased costs for leave liabilities.
- We will undertake an audit process to ensure government funding for leave liabilities is appropriately expended by providers.
- Providers must retain and be able to provide the HR and financial reports for up to 2 years after submitting their application and provide to the department in the event of an audit.



Accountability on aged care wages

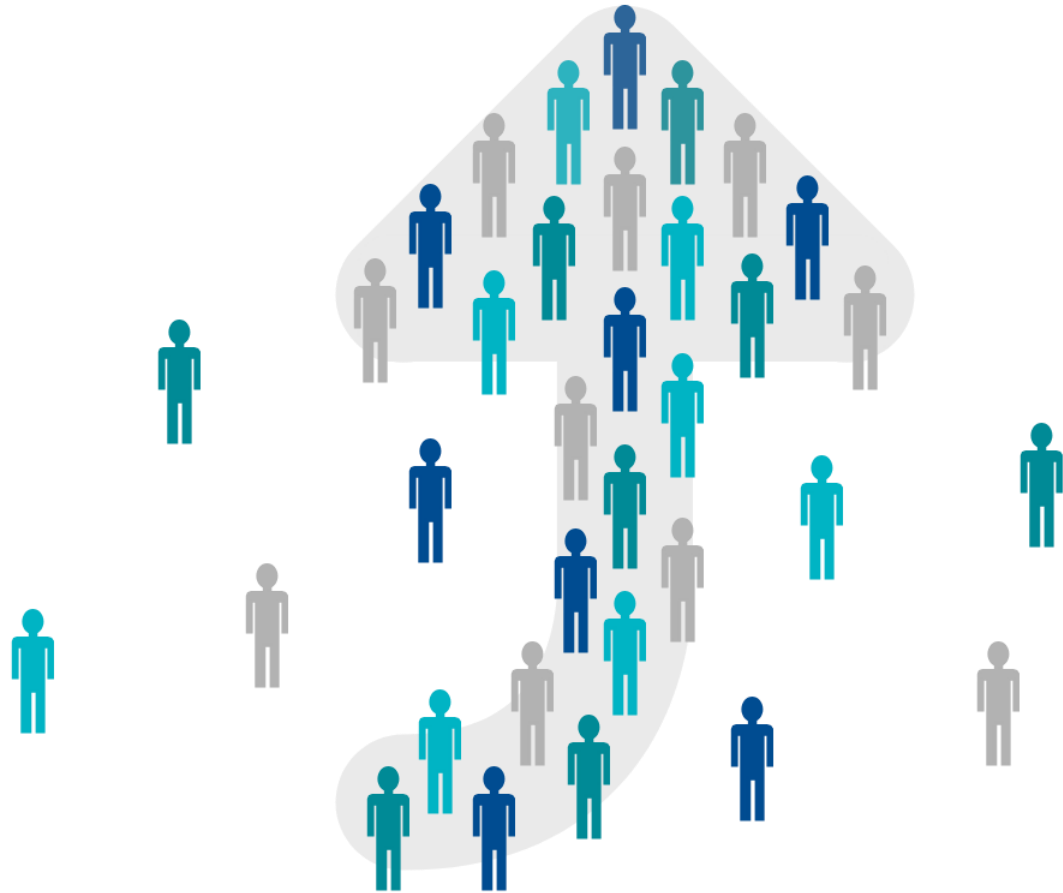
Mitch Docking

Director

Aged Care Workforce Branch



Guidance on aged care wages



- Sets the expectation that Government funding is passed onto workers and on-costs from 1 January 2025.
- Pay tables set out the dollar amounts between the previous award and new award wages to meet this expectation.
- Relates to providers of residential aged care and Home Care Packages.

Accountability for passing on funding

- Aged care providers are legally required to pay workers at least the minimum award wage under the relevant awards.
- Providers of residential aged care and home care required to attest in the Quarterly Financial Report that funding for wages was passed on for Stage 3.
- Expenditure on labour costs and reporting of hourly rates monitored through Quarterly Financial Report.
- Financial performance is collected and reported quarterly in the Quarterly Financial Snapshot for the aged care sector.
- Providers expenditure on labour costs published on the My Aged Care website quarterly.



Questions



Resources



Fair Work
Commission
Decision



Better and
fairer wages for
aged care
workers



AN-ACC
funding model



AN-ACC
funding and
care minutes
estimator



Home Care
Packages



Commonwealth
Support
Programme





Thank you

Send general enquiries to AgedCareWages@health.gov.au

