



Aged care: Information for local government and councils (Stage 2)

Funding for the increase in award wages for aged care workers

Fair Work Commission decision

The Australian Government is investing \$11.3 billion to fund the Fair Work Commission's (FWC) decision for a 15% increase to award wages in the Aged Care Work Value case.

Aged care workers who are expected to benefit from the wage increase are:

1. registered nurses
2. enrolled nurses
3. assistants in nursing
4. personal care workers
5. home care workers
6. head chefs and head cooks (only one per service – the most senior onsite)
7. recreational activities officers (lifestyle workers).

The FWC decision will increase awards within the federal system only.

The wage increase applies to workers on the:

1. Aged Care Award 2010
2. Nurses Award 2020
3. Schedule E of the Social, Community, Home Care and Disability Services Industry Award 2010

These are described by the department as the 'in-scope awards'.

The Government acknowledges that there are complexities in implementing the funding for the wage increase for local government/council employees as they may not be covered by these in-scope awards.

This fact sheet explains how the Government funding will apply for the different aged care programs run by local government/council providers.

Additional funding for aged care programs

Additional funding is being made available across all aged care programs.

The Government recognises that local governments have a range of industrial settings and may pay employees under differing awards or through enterprise agreements.

The department developed [guidance material](#) for providers who currently pay above minimum award wages on what to increase wages by for those workers based on their award classification or equivalent enterprise agreement classification.



This is based on the in-scope awards and does not include local government or state awards due to the variability across each jurisdiction. When applying the wage increase, local governments/council providers need to consider their own arrangements, including which awards or agreements they may have in place, their workforce profile and their own jurisdictional requirements, to apply the additional wage-related funding.

The Government expects all additional funding will be passed on for the benefit of aged care workers.

Residential aged care

All approved residential aged care providers will receive additional funding through an increase to the Australian National Aged Care Classification (AN-ACC) price.

This increase provides additional funding for the wage increase (including on-costs and leave liabilities), a new \$10.80 per resident per day hotelling supplement, and support for the sector to increase average care minutes and ensure that a registered nurse is on-site and on duty at all times of the day.

All residential care providers that currently receive funding from the Government will receive the additional funding to pass onto their workers. This means that residential aged care providers employing workers under local government/council awards, or enterprise agreements will also receive additional funding through the AN-ACC price increase.

Further information about the AN-ACC price increase is available on the [Department of Health and Aged Care's website](#).

Home Care Packages Program

For providers of Home Care Packages (regardless of whether they are local government/councils), the subsidy base funding will be increased by 11.9% to enable increased wages for workers.

From 1 July 2023, funding will be provided through an increase to the Home Care Package (HCP) subsidy amount. This will allow home care providers to fund the wage increase without reducing services for care recipients.

HCP subsidy rates has increased by 11.9%. This includes standard cost indexation plus an increase for the impact of the FWC decision on the in-scope wages.

The subsidy increase also extends to local government providers of home care packages, who employ workers on a local government award or enterprise agreement.

Further information is available in the [Aged care worker wage rise HCP provider fact sheet](#).

Commonwealth Home Support Program (CHSP)

An additional \$105.1 million is being made available in 2023-24 for new grant funding for CHSP providers to manage increased wage costs and associated on-costs from 1 July 2023. The grant application process is expected to commence by October 2023.

This additional funding is not available for CHSP providers who employ their staff under awards that are not in scope awards. This means that local government/council providers of CHSP will not get the additional funding if their staff are covered by state-based industrial instruments.

Local government/council providers of CHSP who employ their staff under the in-scope awards will receive the additional funding for CHSP.



Regardless of which awards local government/council employed employees are covered by the additional wage increase funding is available for local government providers of CHSP that can demonstrate subcontractors are employed under in-scope Awards and the subcontracts has increased by the commensurate amount.

Further information is available in the [Letter to CHSP providers – increase in award wages](#).

Flexible aged care programs

Local government/councils may be eligible to receive the wage increase funding if they receive Commonwealth funding to support the wage increase through the **Short-Term Restorative Care** (STRC) **Transition Care** (TCP) and **National Aboriginal and Torres Strait Islander Flexible Aged Care** (NATSIFAC) Programs. The department is increasing funding under existing funding arrangements for these programs to take account of the FWC increase in wages.

Direct communications were distributed to providers of flexible aged care programs to advise of the funding arrangements.

Employees working across different care types

There are some employees that may provide multiple types of care (for example, aged care and disability care) and may be employed under different award classifications through either one employee for one employment, or the same employee for different employments. For some providers this may mean they have employees providing HCP, CHSP, and residential care.

In addition, this may impact employees providing both home care and disability support services under Schedule E of the SCHADS Award.

It is the responsibility of the employer to ensure they are meeting their obligations under workplace laws, including classifying employees correctly and meeting minimum wage obligations under any relevant award.

The Fair Work Ombudsman (FWO) is currently considering how these changes affect SCHADS Award home care employees in terms of wage rates and will publish further advice when it becomes available.

The FWO is responsible for providing education, assistance, advice and guidance to employers and employees about their workplace obligations and entitlements and can be contacted by calling the Fair Work Infoline on 13 13 94 between 8:00am – 5:30pm Monday to Friday, or by sending an [online enquiry](#).

Annual Wage Review

The Annual Wage Review (AWR) Decision was announced on 2 June 2023, with the FWC announcing that minimum award rates will be increased by 5.75%.

This AWR increase is in addition to the 15% interim increase, for in-scope Awards. Local government and council aged care providers could have their own annual increases and will need to comply with their own state regulations.



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