

Workplace Relations Circular

For the information of members of Australian Business Industrial

CIRCULAR No.	CASE FILE No.	CIRCULAR DATE	IMPORTANT INFORMATION
2023/005	MA000018 MA000034 MA000100	06/03/2022	

WORK VALUE CASE – AGED CARE INDUSTRY

On 21 February 2023 and 3 March 2023, the Fair Work Commission (**Commission**) issued two decisions in relation to the timing and phasing in of the interim increase to award minimum wages for direct care workers in aged care (collectively, **the Stage 2 decision**). By the Stage 2 decision, the Commission sets out its decision to vary the *Aged Care Award 2010* (**Aged Care Award**), *Nurses Award 2020* (**Nurses Award**) and *Social, Community, Home Care and Disability Services Industry Award 2010* (**SCHADS Award**) (collectively, **the Awards**) to provide an increase of 15 per cent to modern award minimum wages for certain classifications under the Awards (see below).

On 3 March 2023, the Commission issued final determinations for the Awards, which set out the variations. The determinations come into operation on 30 June 2023.

Key Changes

Classifications receiving the 15% pay increase

Aged Care Award

- All levels of personal care workers involved in direct care in the Aged Care Award;
- Recreational activities officer/lifestyle officers (all levels) in the Aged Care Award; and
- Head Chefs/Cooks under the Aged Care Award (aged care employee level 4–7 provided the employee is the most senior chef or cook engaged in a facility).

Nurses Award

- Only nursing employees that work in aged care. This includes nurse practitioners, registered nurses, enrolled nurses and assistants in nursing working in aged care.
- An “aged care employee” under the Nurses Award is defined as “an employee engaged in the provision of: services for aged persons in a hostel, nursing home, aged care independent living units, aged care serviced apartments, garden settlement, retirement village or any other residential accommodation facility”.
- The classifications in the Nurses Award will be divided into two categories: “aged care employees” and “other than aged care employees”.

SCHADS Award

- The increase applies to “direct care workers” in aged care in the SCHADS Award. That is, all levels of “home care employee” in aged care that “provide services to an aged person”.
- The SCHADS Award will differentiate between two types of home care employee: “home care employees—disability care” and “home care employees—aged care”. The increase will not apply to home care employees providing services to a person with disability.

Definition of “Standard Rate”

The Standard Rate in the Awards remains unchanged in terms of its value. However, in the Aged Care Award and Nurses Award, the definition of “*standard rate*” under clause 2 will be updated with reference to the new classification titles.

Funding

The Federal Government previously confirmed it would fund 10% of the increase from 1 July 2023 (together with on costs) and the other 5% (together with on costs) from 1 July 2024. Absent the Federal Government revisiting its position between now and 30 June 2023, employers in the aged care industry will need to self-fund the 5% (and associated on costs) until government funding kicks in on 1 July 2024.

Future Proceedings

The Stage 2 decision brings a close to Stage 2 of the Work Value Case, but it does not conclude the Commission’s consideration of the unions’ claim for a 25 per cent increase for direct care employees and other employees under the Awards. Stage 3 will include a more detailed consideration of the classification definitions and structures in the Awards. In Stage 3 the Commission will also determine whether any further wage adjustments are justified on work value grounds. A timetable for Stage 3 is yet to be fixed but is expected to be set in the coming weeks.

When will the changes come into effect?

These changes come into operation from the first full pay period on or after **30 June 2022**.

To view the most recent decision [click here](#).

See the final determinations below:

- Aged Care Award [click here](#).
- Nurses Award [click here](#).
- SCHADS Award [click here](#).

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