

IN THE FAIR WORK COMMISSION

Applicants: HEALTH SERVICES UNION OF AUSTRALIA and others

Matter: APPLICATION TO VARY THE AGED CARE AWARD 2010 and APPLICATION TO VARY THE SOCIAL, COMMUNITY, HOME CARE AND DISABILITY SERVICES INDUSTRY AWARD 2010

Matter No: AM2020/99 and AM2021/65

HSU SUBMISSIONS RE: OPERATIVE DATE AND PHASING IN

INTRODUCTION

1. These submissions set out the position of the HSU in relation to the operative date and phasing in of the increases in rates of pay determined by the Full Bench in *Re Aged Care Award 2010* [2024] FWCFB 150 (**the Stage 3 increases**). The submissions also respond to the written submissions of the Commonwealth dated 12 April 2024.
2. The Commonwealth submits that:¹
 - (a) 1 January 2025 would be an appropriate operative date for the Stage 3 increases for all aged care workers subject of the Stage 3 wage increases for the purposes of s 166(2) of the FW Act;
 - (b) for direct care workers, the Stage 3 increases be phased in over a period of 12 months such that 50% of the increase operate from 1 January 2025 and the further 50% from 1 January 2026.
3. The Commonwealth's proposal should be rejected. The HSU's position is that the Stage 3 increases for all employees should come into operation on 30 June 2024. In short, the Stage 3 increases should come into operation on 30 June 2024 because:
 - (a) A commencement date of 30 June 2024 is essentially consistent with the presumption in s 166(1)(a) of the FW Act and no basis has been demonstrated as to why there should be any delay beyond 1 July 2024;
 - (b) Consistent with the approach adopted to the interim increases, it is appropriate that the Stage 3 increases come into effect one day earlier on 30 June 2024 to avoid any confusion in relation to increases from the Annual Wage Review

¹ Commonwealth Submissions dated 12 April 2024 at [5].

which are likely to take effect on 1 July 2024² and to make clear, for the avoidance of doubt, that any pay increase arising from the Annual Wage Review should be applied in addition to the Stage 3 increases;

- (c) Any delay in the commencement of the Stage 3 increases beyond 1 July 2024, and any further phasing in, would result in all aged care workers continuing to receive rates significantly below the true value of the work they perform and will have the effect of perpetuating the historic and gender-based undervaluation of work of aged care sector;
- (d) The reasons advanced by the Commonwealth for there being a need for time to implement the Stage 3 increases³ are unsupported by evidence, unpersuasive and fail to acknowledge that the Commonwealth has known the precise increases required since 15 March 2024;
- (e) Treating the purported ‘decision’ of the Commonwealth with respect to funding the Stage 3 increases as dictating the operative date of the increases would abdicate the proper role of the Commission, elevate the factor in s 134(1)(f) above other considerations and assumes any such decision is immutable; and
- (f) The proposed delay in the Stage 3 increases is inconsistent with the interests of aged care workers, will damage the financial interests of those workers and is likely to accentuate difficulties in the attraction and retention of staff in aged care and the proper recognition of the value of that work.

THE CURRENT CHANGES

4. Before going further, it is useful to set out the quantum of the increases currently in contemplation for the employees the subject of amended classification structures:

² *Re Aged Care Award 2010* [2023] FWCFB 93 at [420].

³ Commonwealth Submissions dated 12 April 2024 at [8].

Aged Care – direct care

Old level	New level	Current rate	New rate	% change
1	1	\$1,047.60	\$1,101.50	5%
2	2	\$1,089.00	\$1,162.70	7%
3	2	\$1,130.90	\$1,162.70	3%
4	3	\$1,144.20	\$1,223.90	7%
5	4	\$1,183.00	\$1,272.90	8%
5 (cert 4)	5	\$1,183.00	\$1,321.80	12%
6	6	\$1,246.80	\$1,370.80	10%
7	6	\$1,269.10	\$1,370.80	8%

Home care

Old level	New level	Current rate	New rate	% change
1.1	1	1059.9	1101.5	4%
2.1	2	1121.2	1162.7	4%
2.2	2	1128.8	1162.7	3%
3.1	3	1144.2	1223.9	7%
3.2	3	1179.5	1223.9	4%
4.1	4	1248.4	1272.9	2%
4.2	4	1273.3	1272.9	0%
4.1 - Cert IV	5	1248.4	1321.8	6%
4.2 - Cert IV	5	1273.3	1321.8	4%
5.1	6	1338.5	1370.8	2%
5.2	6	1391.2	1370.8	-1%

5. As is obvious, in direct care the increases are below (in some cases, significantly), the 15% interim increase. In home care the adjustments post-translation are even smaller – indeed more senior workers move backwards (before the operation of any saving provision that is ultimately determined by the Commission). There is, of course, no basis for a conclusion that a *decrease* in wages for any home care worker classification is justifiable on work value grounds.
6. The rationale for the HSU’s position is discussed in more detail below. However, as a starting point it is difficult to see how, given there has been no relevant change in

circumstance since the Stage 1 phasing decision was made, there would be any basis for delaying these smaller increases. The reasons now put forward by the Commonwealth to justify a delay in the commencement of the increases mirror those which were not accepted in relation to the interim increase.

APPROACH TO BE ADOPTED

7. The approach to be adopted in relation to the timing and commencement of variations to modern awards, and in particular modern award minimum wages, was described in the Stage 1 decision at [976]-[990].⁴ In short:
- (a) s 166(1)(a) creates a ‘default rule or presumption’ that a determination varying modern award minimum wages comes into operation on 1 July in the next financial year after it is made;
 - (b) To displace the presumptive operative date the Commission must be satisfied that it is ‘appropriate’ to specify a different operative date albeit that the presumption is one that may not be overly difficult to displace;
 - (c) Relevant considerations in assessing questions of the timing and phasing of any variation can be grouped into three categories: the statutory context, the substantive decision of the Commission determining to set or vary award conditions and fairness;
 - (d) As to the statutory framework, any transitional arrangements must meet the modern awards objective and must only be included in a modern award to the extent necessary to meet that objective;
 - (e) In relation to the s 134(1) considerations, the determination of questions of timing and transitional arrangements is likely to require particular focus on relative living standards and the needs of the low paid (s.134(1)(a)), the likely impact on business, including productivity, employment costs and the regulatory burden (s 134(1)(f)) and the need to ensure a simple, easy to understand, stable and sustainable modern award system (s 134(1)(g));

⁴ By reference to *Application by Independent Education Union of Australia-New South Wales/Australian Capital Territory Branch (130N-NSW)* [2021] FWCFB 6021 at [19]-[20] and *Re Australian Workers’ Union* [2022] FWCFB 4 at [152]-[171]. See also *Penalty Rates – Transitional Arrangements* [2017] FWCFB 3001 at [141]-[159].

- (f) Fairness is a relevant consideration, given that the modern awards objective speaks of a ‘fair and relevant minimum safety net’ and the Commission is otherwise, by s 577(a) and s 578, required to perform its functions and exercise its powers in a manner that is ‘fair and just’ and take into account the objects of the Act and ‘equity, good conscience and the merits of the matter’; and
- (g) Fairness in this context is to be assessed from the perspective of both the employees and employers covered by the modern award in question and, whilst a negative impact of a variation on employees or employers will be a relevant consideration, such an impact cannot ‘totally subrogate’ the interests of other affected persons.
8. Although it has been suggested that the presumption in s 166(1)(a) is not difficult to displace,⁵ s 166(2) nonetheless requires the identification of some reason or reasons that render it appropriate for the Commission to specify another day.⁶ The requirement that the Commission be ‘*satisfied it is appropriate to do so*’ implies the existence of a discretion indicating that a broader evaluative judgment is to be exercised. The nature of the enquiry is informed by the use of the word ‘*appropriate*’, which in its ordinary meaning connotes something that is suitable, fitting, apt, right or proper in the circumstances.⁷
9. The assessment of whether it is ‘*appropriate*’ for the purposes of s 166(2) to specify another day must be informed by the statutory context and purpose of the relevant provisions in relation to which the discretion arises, including (in the present context) taking into account the factors in ss 134(1) and 284(1) as well as the objects of the FW Act itself. Importantly, the exercise of the discretion under s 166 and the question of whether it is appropriate to specify another day now require the Commission to take into account the new provisions ss 134(1)(ab) and 284(1)(aa).

OPERATIVE DATE AND PHASING IN

10. The position of the HSU is that the Stage 3 increases should commence at one time and in accordance with s 166(1)(a) on 1 July 2024 (assuming that the determination is able

⁵ *Re Australian Workers’ Union* [2022] FWCFB 4 at [154].

⁶ Explanatory Memorandum to the *Fair Work Bill* 2008 (Cth) at [633].

⁷ *Re Jolly* [2023] FWCFB 191 at [12]. See also *Vella v Commissioner of Police (NSW)* (2019) 269 CLR 219 at [50] (Bell, Keane, Nettle and Edelman JJ).

to be made prior to 30 June 2024). A number of considerations are of most significance in relation to the operative date question.

11. *First*, the Commission has concluded that, in relation to direct care employees, a further substantial increase in rates of pay is warranted for work value reasons above the interim increase of 15%. That outcome is consistent with the conclusion in the Stage 1 decision that the interim increase was fixed at a level ‘*comfortably below the level of increase we may determine on a final basis*’.⁸ With the exception of the most senior food services employee classification, the Commission also found that the existing rates of pay for indirect care employees should be increased for work value reasons.⁹
12. Obviously enough, any delay in the commencement of the Stage 3 increases will result in aged care employees continuing to receive rates of pay which do not properly reflect the value of the work they perform. The direction in s 134(1) that the Commission must ensure that modern awards provide a fair and relevant minimum safety net of terms and conditions and, in s 284(1), that the Commission must establish and maintain a safety net of fair minimum wages strongly supports a conclusion that the Stage 3 increases should apply from 1 July 2024.
13. There has already been (in effect) a delayed and phased introduction of the increases in rates of pay for aged care workers justified by work value reasons. The proceedings were prompted, in part, by the Royal Commission which recommended wages and conditions be examined in its Interim Report in October 2019 and Final Report in March 2021. The proceedings were commenced in 2020, the Stage 1 decision handed down in November 2022 and the interim increase with respect to direct care workers commenced on 30 June 2023. The final decision was less than the full scope of the claim sought by the HSU, such that the Commonwealth was on notice that the amounts could be higher. Due to the time taken in the progress of the litigation and the complexity involved, there has already been a staged introduction of the increases in rates of pay warranted by work value.
14. *Second*, in relation to direct care employees and (albeit to a lesser extent) indirect care workers, the basis upon which increases in rates of pay were justified included the historical and ongoing undervaluation of skills exercised in female-dominated

⁸ *Re Aged Care Award 2010* [2024] FWCFB 150 at [156]. See also *Re Aged Care Award 2010* [2022] FWCFB 200 at [938].

⁹ *Re Aged Care Award 2010* [2024] FWCFB 150 at [251] (by 3% generally for all indirect care employees) at [275] (by 6.96% for food service, cleaning and laundry employees).

industries and occupations which lies at the heart of the gendered undervaluation of work.¹⁰ As such, any delay in the commencement of the Stage 3 increases will result in primarily female employees continuing to receive rates of pay which have been set in (in part, excluding the interim increase) a manner that was affected by the gender-based undervaluation of work and were the product of wage fixing processes which included assumptions as to work value based on gender and the nature of work in female-dominated industries and occupations.

15. Sections 134(1)(ab) and 284(1)(aa) now require that the Commission take into account the need to achieve gender equality ‘by ensuring equal remuneration for work of equal or comparable value, eliminating gender-based undervaluation of work and provision workplace conditions that facilitate women’s full economic participation’.¹¹ Section 3(a) indicates that the object of the Act include to achieve ‘gender equality’. Although not directly applicable beyond consideration of work value, s 157(2B) also provides relevant statutory context. It demonstrates a statutory intention that modern award wages be set in a manner that is free from assumptions based on gender and undervaluation because of assumptions based on gender.
16. The factors required to be taken into account by ss 134(1)(ab) and 284(1)(aa), together with the context provided by ss 3(a) and 157(2B), again strongly support addressing the gender-based undervaluation of the work of aged care employees as soon as possible. Aged care workers should not have to wait until 2025 until any further increases commence and direct care workers should not have to wait until 2026 for the full increases to commence.
17. *Third*, the reasons advanced by the Commonwealth for delaying the commencement of the Stage 3 increases are unpersuasive. To the extent it suggests that implementing funding for wage increases in the aged care sector ‘takes time’, the Commonwealth relies upon the same matters raised when it sought delay and phased introduction of the interim increase in 2023.¹² No evidence was then or is now advanced in relation to any of the alleged difficulties which it is said would be encountered in implementing additional funding to meet costs associated with wage rises. The Commonwealth has been on notice of the increases for some time.

¹⁰ See, for example, *Re Aged Care Award 2010* [2024] FWCFB 150 at [156](1)-(2) (direct care workers) and [267] (food services, cleaning and laundry employees).

¹¹ Noting the difference in wording between ss 134(1)(ab) and 284(1)(aa) does not appear to be significant: see *Annual Wage Review 2022-2023* [2023] FWCFB 3500 at [33] and [45].

¹² Commonwealth Submissions dated 12 April 2024 at [8.1] and [8.2].

18. As explained by Professor Eagar, there are a range of options that would permit the Commonwealth to quickly implement funding measures to address the costs of a further increase.¹³ The Commonwealth appears to accept that additional funding could be implemented through the mechanisms identified by Professor Eagar and only changes to subordinate legislation would be necessary¹⁴ Furthermore, the Commission now has the benefit of a direct example. The interim increase (which was larger than the Stage 3 increases) commenced on 30 June 2023 following the Full Bench decision on 18 May 2023. There is no evidence of any substantial difficulty being encountered or of failings in the distribution of public monies as a result.
19. *Fourth*, the Commonwealth properly accepts that the Commonwealth funding commitment proposing to provide funding over the next 20 months is not determinative of the Commission’s decision with respect to the timing of the Stage 3 increases.¹⁵ That is obvious and consistent with the Commission’s Stage 2 decision.¹⁶ Although the Commonwealth expresses a preference to a staged approach to the introduction of the Stage 3 increases, it has not withdrawn its earlier commitment to funding any increases awarded by the Commission and appears to have reiterated the commitment and its support for the wages increases.¹⁷ The actual funding to be provided can always be the subject of further government decision.
20. At its highest, if the Commission determines that the Stage 3 increases should commence at a time which does not align with government funding and the Commonwealth does not reassess its current commitment, there will be some (rather than no) additional cost to business. That is true of any increase in modern award wages and cannot itself stand as a justification for a delay in or phasing of increases. That said, additional costs to employers may be a matter falling within the factor in s 134(1)(f) and, as such, are relevant to the modern awards objective.¹⁸
21. However, the impact on employment costs is only one matter to be taken into account in that consideration. There is, at present, no evidence before the Commission as to the extent or impact of any such increased costs or any basis to conclude there would be a

¹³ Second Supplementary Witness Statement of Kathleen Eagar dated 20 January 2023 at [31]-[32]; Submissions for the HSU with respect to Stage 2 dated 20 January 2023 at [24].

¹⁴ Reply Submissions of the Commonwealth dated 10 February 2023, Annexure at [3]-[4].

¹⁵ Commonwealth Submissions dated 12 April 2024 at [6].

¹⁶ *Re Aged Care Award 2010* [2023] FWCFB 93 at [415].

¹⁷ Commonwealth Submissions dated 12 April 2024 at [2].

¹⁸ *Re Aged Care Award 2010* [2023] FWCFB 93 at [424].

material adverse impact on business.¹⁹ Any additional costs for a transitional period is not a matter which outweighs the other considerations favouring an early commencement of the increases. There is no evidence of any increased regulatory burden or impact on productivity.

22. *Fifth*, other factors forming part of the modern awards objective favour the early commencement of the Stage 3 increases. The interests of aged care employees, many still receiving low rates of pay, in receiving the Stage 3 increases as soon as possible are strong and the consideration in s 134(1)(a) favours a conclusion that the increases should commence at the earliest possible date.²⁰ The interests of employees in received higher rates of pay are obvious and supported by the evidence of the HSU as to the financial difficulties being encountered by many aged care workers.
23. To the extent the Commonwealth suggests that implementation of the Stage 3 increases might cause some adverse impact by attracting workers from other sectors, the submission is entirely speculative and unsupported by evidence.²¹ There is, however, evidence of the critical difficulties with attraction and retention encountered by aged care employers. The findings of the Commission include that the evidence paints a picture of chronic understaffing albeit somewhat ameliorated by the interim increase and other measures.²² The attraction and retention problems encountered in the sector favour the Stage 3 increases commencing as soon as possible. That outcome would give rise to a positive impact on business for the purposes of s 134(1)(f).
24. The submission that workers may be attracted into aged care work away from other sectors also suggests that the work performed in those sectors is currently undervalued. This problem (if it exists) is not appropriately addressed by maintaining the undervaluation of the work of aged care employees for any longer than is necessary. The undervaluation of aged care work should be addressed.
25. The factor in s 134(1)(g), the need to ensure a simple, easy to understand, stable and sustainable modern award system, also militates against a phasing-in approach. The Stage 3 increases, particularly in relation to direct care employees, are not in the form of a uniform percentage increase and the amount of the increase varies between classifications and depends on the operation of the proposed transition provisions. The

¹⁹ See approach in *Re Aged Care Award 2010* [2023] FWCFB 93 at [425].

²⁰ *4 yearly review of modern awards – Award stage – Group 4 – Aged Care Award 2010 – Substantive claims* [2019] FWCFB 7094 at [39].

²¹ Commonwealth Submissions dated 12 April 2024 at [8.4.1]-[8.4.2].

²² *Re Aged Care Award 2010* [2024] FWCFB 150 at [148].

Commonwealth's proposal would require recalculation of the rates to determine what is 50% of the increase for particular employees and result in multiple increases in addition to Annual Wage Review changes. This is likely to be a complex and confusing process and inconsistent with the objective of creating a simple and easy to understand modern award system.

MARK GIBIAN SC | H B Higgins Chambers

LISA DOUST | 6 St James Chambers

LEO SAUNDERS | Greenway Chambers

Dated: 10 May 2024

IN THE FAIR WORK COMMISSION

FWC Matter No: AM2020/99

Application vary or revoke the Aged Care Award 2010

FURTHER WITNESS STATEMENT OF CHRISTOPHER LOUIS FRIEND

I, Christopher Friend, Divisional Secretary Aged Care & Disability, of Level 2, 109 Pitt Street Sydney in the state of NSW, say as follows:

1. I am employed by the Health Services Union NSW/ACT/QLD Branch (the **HSU**), as the Divisional Secretary, Aged Care & Disability (**Role**).
2. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my own knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

My role at the HSU

3. I have previously made the following statements in these proceedings:
 - a. Statement dated 2 April 2021 (**First Statement**);
 - b. Statement dated 29 October 2021 (**Second Statement**); and
 - c. Statement dated 22 September 2023 (**Third Statement**).
4. In my Role, I am responsible for overseeing and guiding the work of a Deputy Divisional Secretary, 14 Organisers and 4 Industrial Officers, who make up the aged care team, and who support our members in the aged care sector.
5. I facilitate weekly team meetings, so that I am regularly updated on the issues facing aged care members, how these are being resolved or advising on how they may be resolved, as well as discussing member engagement in our campaigns.
6. I am in daily contact with members of the aged care team. Through their work, team members visit workplaces daily about collective or individual workplace disputes, and I am asked to provide them with direction and strategic advice. I will also often attend

meetings to facilitate discussions between the employees and the employer, with the assistance of the relevant organiser/s.

7. I also regularly engage with union delegates and members working in the aged care sector, through attending campaign meetings, one on one conversations and through emails. I also coordinate a monthly meeting with our aged care delegates, which is attended by representatives from all across our aged care membership.
8. My work also involves regular communication with a wide range of employers in the aged care industry, about issues affecting our members and about reforms in the sector more broadly.
9. Prior to working in the Role, I was the Bargaining Officer for the Aged Care & Disability division of the union. I held that role from December 2017 until July 2022.
10. In both the Role and previous role at the HSU, it is my job to be across what is happening in the aged care sector in respect of wages, the general economic position of providers, changes in Commonwealth Government policy, who are the leading and largest providers, varying models of care, changes in the delivery of services and other trends that are relevant to bargaining.

Aged Care Wage Increase Satisfaction Survey

11. In the Role, I regularly meet and correspond with the Australian Government Department of Health and Aged Care on a range of matters. For example, the relevant unions, along with representatives from the aged care peak body ACCPA, have standing fortnightly meetings with the Aged Care Workforce Branch of that department.
12. In November 2023, a representative from the Department of Health and Aged Care contacted unions seeking our assistance to promote an "Aged Care Wages Satisfaction Survey" that the federal government was conducting.
13. The survey was designed to canvass three areas:
 - a. Workforce attraction – are people more likely to consider a job in aged care?
 - b. Workforce retention – was the wage increase an incentive for you to stay working in aged care?
 - c. Workforce value – do you feel more value and reward for the work you do?

14. From correspondence with the Department, I understand that the survey ran until 15 December 2023.
15. On 28 March 2024, a representative from the Department of Health and Aged Care shared the survey results with the union. A copy of the survey results is attached as annexure **CF1 (Department Survey Results)**.
16. Overall, 234 aged care providers and 1,725 workers responded to the survey.
17. The Survey Results show that, 95% of aged care workers agreed, from moderately to extremely important, that wages were an essential consideration for working in aged care, and 83% of aged care providers, either agreed or were neutral, when asked whether care workers felt more valued due to the wage increase.
18. Further, 76% of providers reported improvement in workforce retention, and 65% of providers indicating that the wage increase has improved workforce attraction to the sector.

Impact on enterprise bargaining

19. Since HSU members first lodged our application in this case, we have seen a significant decline in the willingness of employers to engage in enterprise bargaining.
20. While that was initially due the substantial impact of the Covid-19 pandemic on the aged care sector around the same time, we have not seen a corresponding increase in bargaining since then. Many employers have told me that ongoing uncertainty about the outcome and implementation of the work value case is a major reason why they are choosing not to bargain at the moment.
21. For example, we currently have approximately 155 enterprise agreements covering employers in the aged care sector, that have passed their nominal expiry date and are notionally due for renegotiation. However, we are currently only engaged in 7 active bargains with aged care employers.
22. Conversely, in my previous role as the union's aged care Bargaining Officer, I would ordinarily be managing 20 – 30 active bargains at any one time, with approximately 80 – 100 completed in a year.

23. The reason that employers cite for preferring not to bargain has evolved over the last 12 to 18 months, moving from a general uncertainty about the outcome of the case, to now wanting the outcome to be settled and funding to be implemented, before commencing negotiations with the union and employees.
24. Further, many employers are cautious about commencing bargaining under a new classification structure in the underpinning Award, that is yet to have funding fully delivered.
25. While government funding has always been something that employers in the aged care sector lament, given the significant impact of this decision on current pay rates (as most employers are paying at or very close to the Award), coupled with the critical importance that wages play in all enterprise agreement negotiations, bargaining will remain very depressed in the aged care sector until the outcome of the case is fully implemented.

A handwritten signature in black ink, appearing to read 'Christopher Friend', written in a cursive style.

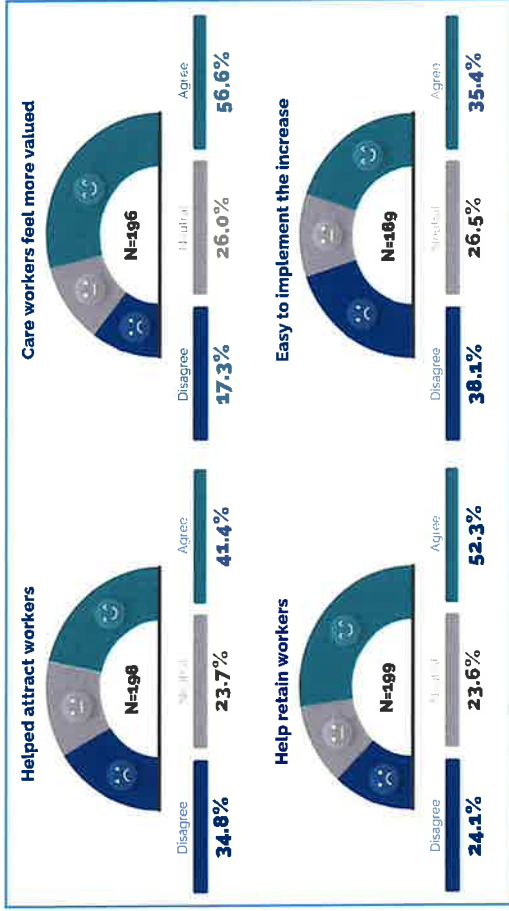
Christopher Friend

Key messages

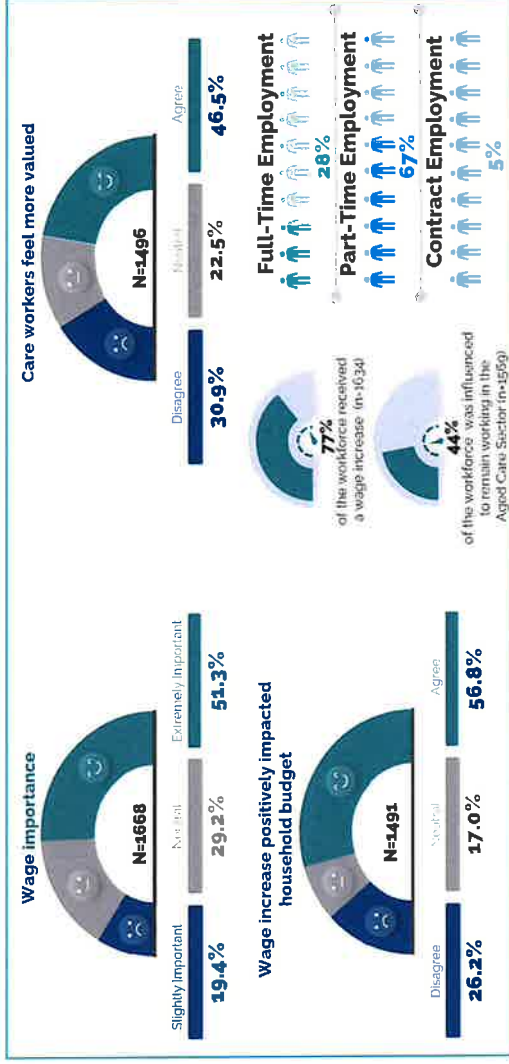
- Aged care workers are feeling more valued and recognised for the rewarding and challenging work they do.
- **83%** of aged care providers, either agreed or were neutral, when asked whether care workers felt more valued due to the wage increase.
- **95%** of aged care workers agreed, from moderately to extremely important, that wages were an essential consideration for working in aged care.
- Workers also identified that other factors were more critical than pay, such as the opportunity to work with older people, alignment with values, and security and employment flexibility.
- Workers commented that the wage increase helped their households manage the increased cost of living. This finding may indicate that the 15% increase reflects the work performed, but there is a built-up expectation that more is needed for all workers pending the final outcome of the Aged Care Work Value case.
- The wage increase is having a positive impact on attraction and retention.
- **76%** of providers, either agreed or were neutral, when asked to indicate whether retention of the existing workforce has improved; and
- **65%** of providers, either agreed or were neutral, when asked to indicate whether the wage increase has improved workforce attraction to the sector.
- Cultural challenges have emerged from the Fair Work Commission's decision to increase minimum award wages by 15% for direct care workers, resulting in tension due to pay disparity between direct and indirect care workers.
- The implementation experience was mixed.
- **62%** of residential aged care providers, either agreed or were neutral, when asked to indicate whether it was easy to implement the wage increase.
- However, more than half (**51%**) of home and community care providers reported difficulty implementing the wage increase, and comments indicated that the administrative burden is due to insufficient time to enable providers to work through the change process. This result may suggest the additional complexity of agreeing price increases with Home Care Packages clients and the inconsistent implementation approach between Home Care Packages and the Commonwealth Home Support Programme.
- Most respondents received a pay rise. However, indirect care workers that did not receive a pay rise were also able to complete the survey. This disparity between direct and indirect care workers has resulted in significant cultural challenges. Note, some direct care workers on state-based awards also indicated they did not receive a pay rise.

Wage Increase Satisfaction Survey – Results Snapshot

Impact of the Wage Increase on Aged Care Providers



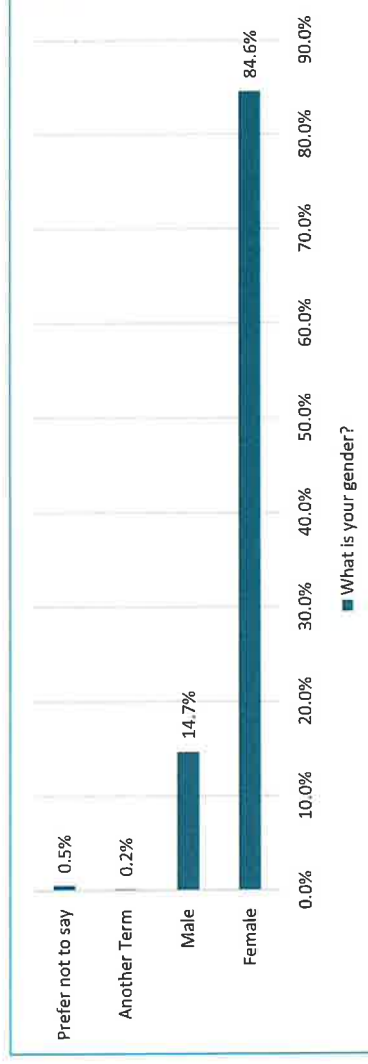
Impact of the Wage Increase on the Aged Care Workforce



Quick Results Statistics

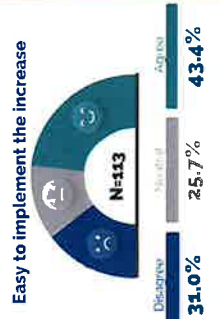
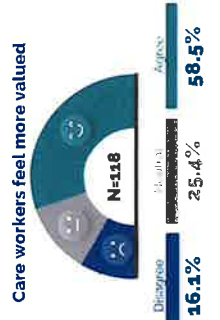
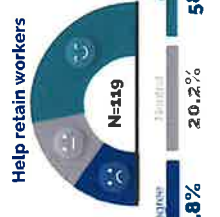
- 234 aged care providers and 1,725 aged care workers responded. Most responses were from workers in the residential aged care sector.
- 77% of aged care workers indicated they received a pay rise.
- 80% of aged care workers (*extremely important and neutral*) reported that pay was an essential consideration for working in aged care.
- 74% of aged care workers (*agree and neutral*) reported that the wage increase positively impacted their household budgets.
- 69% of aged care workers (*agree and neutral*) felt more valued due to the wage increase.
- 83% of aged care providers (*agree and neutral*) indicated that care workers felt more valued due to the wage increase.
- 76% of providers (*agree and neutral*) reported improvement in workforce retention.
- 65% of providers (*agree and neutral*) indicating that the wage increase has improved workforce attraction to the sector

Proportion of Aged Care Workforce Responses by Gender

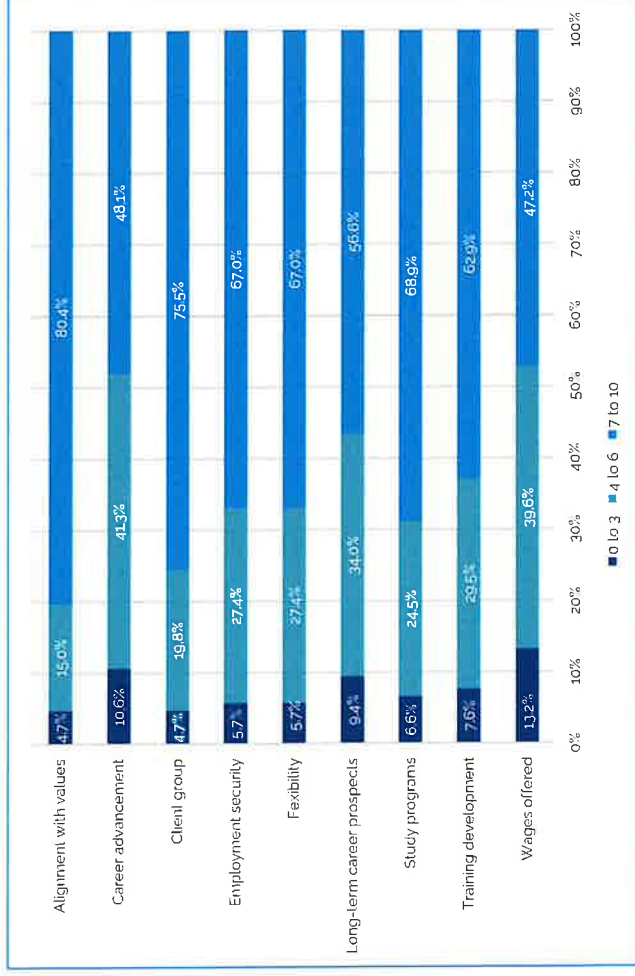


Wage Increase Satisfaction Survey – Residential Aged Care Results

Impact of the Wage Increase on Aged Care Providers



Factors that influence attraction and retention in the Aged Care Sector (n=107)



Residential Aged Care Provider Comments

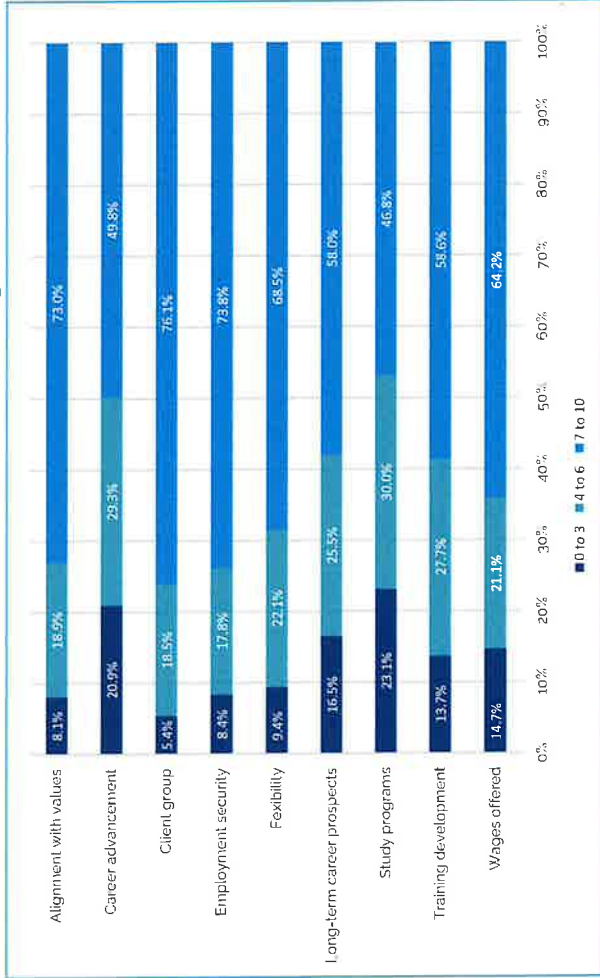
- Providers reported the workforce has welcomed the wage increase, but more is needed to attract new employees.
- Providers have experienced negative cultural challenges emerging from the wage increases, including some indicating a decline in the quality of applicants.
- In addition, indirect care workers feel undervalued for their essential contribution to the sector due to not being included in the initial wage increase.
- Providers commented that the financial impact on their businesses came from insufficient funding to offset the wage increase, raising viability questions for aged care providers. Note this issue appears to be a general view on funding rather than the 15% in isolation.
- Providers commented that the administrative burden of implementing the wage increase is due to insufficient time to enable providers to work through the change process.

Wage Increase Satisfaction Survey – Residential Aged Care Results

Impact of the Wage Increase on the Aged Care Workforce



Factors that influence workers decision to work in the Aged Care Sector (n=1327)

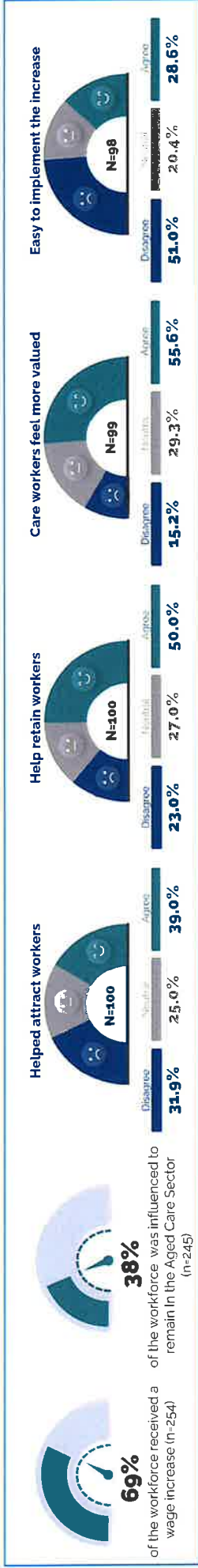


Residential Aged Care Workforce Comments

- Workers commented that recognition of the value of their work with appropriate wages should help attract capable people to roles in the aged care industry in the long term, benefiting both aged people and workers.
- Workers reported that job satisfaction plays a crucial role in deciding to stay in the aged care sector, factors contributing to job satisfaction include feeling valued, having a sense of purpose, and experiencing personal fulfillment in caring for older people.
- Workers commented that the wage increase helped their households manage the increased cost of living. However, workers are concerned should inflation continue to outstrip wage increases.
- Concern that not all workers in the sector received the wage increase, resulting in cultural challenges in the workplace due to pay disparity between direct and indirect workers.

Wage Increase Satisfaction Survey – Home and Community Care Results

Impact of the Wage Increase on Aged Care Providers



Factors that influence attraction and retention in the Aged Care Sector (n=90)



Home Care Provider Comments

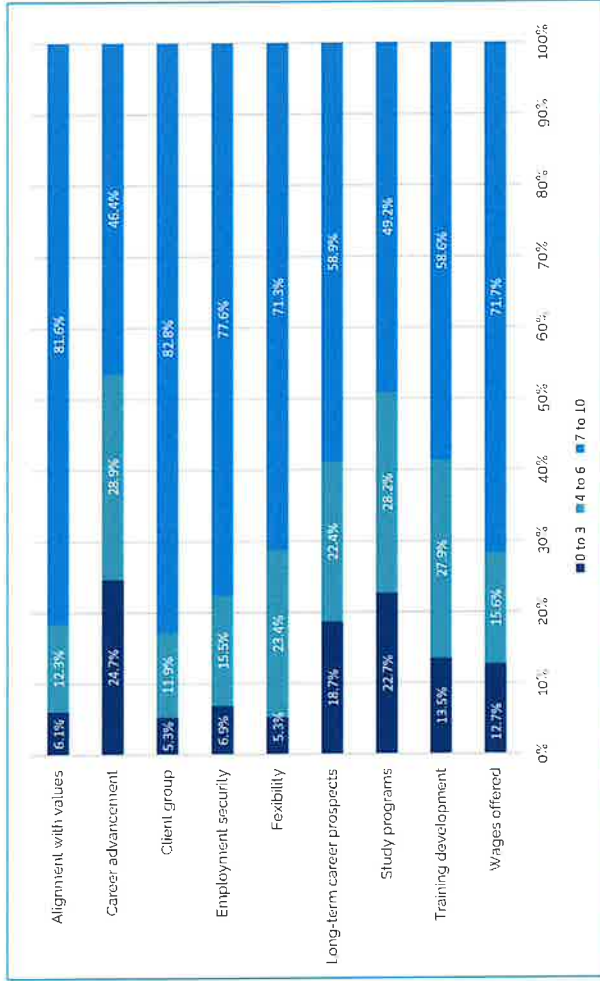
- The wage increase helped the workforce feel more valued, and their pay is now comparable with similar roles in other sectors.
- Attraction and retention have generally improved – noting the issue is not solved with issues persisting – but some providers are noticing a decline in the quality of applicants.
- Providers commented that the wage increase raised concerns regarding the financial impact on their businesses due to trouble engaging the workforce in their disability streams due to the pay disparity and pressure on regional and remote services.
- There was an identified administrative burden of implementing the wage increase due to insufficient time to enable providers to work through the change process.
- Providers were also concerned with the inconsistent implementation approach between Home Care Packages and the Commonwealth Home Support Programme.
- Providers have experienced negative cultural challenges emerging from the wage increase. Providers reported that the Fair Work Commission's decision not to increase all wages has created a divide in staffing groups and challenges for management.

Wage Increase Satisfaction Survey – Home and Community Care Results

Impact of the Wage Increase on the Aged Care Workforce



Factors that influence workers decision to work in the Aged Care Sector (n=267)



Home Care Workforce Comments

- Workers reported that the wage increase helped them to feel more valued, and their pay is now comparable with similar roles in other sectors. Additionally, workers enjoyed working with their clients and being able to help provide a good quality of life.
- The wage increase has helped the household budget and manage the increased cost of living. Ongoing concern should inflation continue to outstrip wages growth.
- Not all workers in the sector received the wage increase, resulting in cultural challenges in the workplace due to pay disparity between direct and indirect workers.
- Workers commented that the staffing ratios, workload, availability and stability of hours, and how providers operate contribute to workers thinking about on-leaving the aged care sector.
- Workers raised concerns that increased workload impacts clinical care due to workforce shortages.



Wage Increase Satisfaction Survey – Background

The Government has supported aged care workers' calls for better pay in the Fair Work Commission Aged Care Work Value case. It is investing \$11.3 billion to implement the 15% interim increase to minimum award wages for many aged care workers. The Government's investment was estimated to benefit around 250,000 registered nurses, enrolled nurses, assistants in nursing, personal care workers, head chefs and cooks, recreational activities officers (lifestyle workers), and home care workers. The Fair Work Commission's decision is the most significant increase to minimum award wages in a work value case under the Fair Work Act 2009.

Across November and December 2023, the Department of Health and Aged Care undertook an Aged Care Wages Satisfaction Survey to help evaluate and better understand the impact of the Fair Work Commission's decision to increase minimum award wages by 15% for direct care workers. The survey was designed to test the general sentiment in the sector, including attraction and retention for providers and the extent to which aged care workers felt valued for their work. Providers and workers across all Government-funded aging care programs were invited to respond.

Overall, 234 providers and 1,725 workers responded. A majority of worker responses were employed in the residential aged care sector.