

## **FAIR WORK COMMISSION**

**MATTER NUMBERS AM2020/99; AM2021/63; AM2021/65**

### **WORK VALUE CASE – AGED CARE INDUSTRY**

#### **COMMONWEALTH'S SUBMISSIONS IN RESPONSE TO 23 OCTOBER 2024 STATEMENT**

1. The Commonwealth makes the following submissions in response to the Statement issued by the Commission on 23 October 2024 (**Statement**). These submissions should be read with the Commonwealth's submissions dated 26 August 2024, which the Commonwealth continues to rely upon.
2. In paragraph [12] of the Statement, the Commission expressed the provisional view that the wage increases proposed by the Commission for aged care nurses should be phased in over three tranches, from 1 January 2025, 1 October 2025 and 1 August 2026.
3. In paragraph [9] of its 26 August 2024 submissions, the Commonwealth set out its funding commitment in relation to any further wage increases for aged care nurses that the Commission considers are justified by work value reasons.
4. As set out in paragraphs [11] and [12] of the Commonwealth's 26 August 2024 submissions, having regard to the Commonwealth's role as the principal funder in the aged care sector, the Commission can be satisfied that an operative date and phasing in that aligns with the Commonwealth's funding commitment would be appropriate and consistent with the modern awards objective in s 134(1)(f) of the FW Act.
5. The Commonwealth reiterates the matters set out in paragraphs [14.1] to [14.7] of its 26 August 2024 submissions as to the impediments to implementing funding for any wage increases for aged care nurses before 1 July 2025. Those impediments are increasing with the passage of time, noting that we are approaching the Christmas and New Year periods and as at the date of these submissions, there are less than eight weeks until 1 January 2025. The Commonwealth notes that implementation activities to support 1 January 2025 award wage increases for other aged care workers, covered by the Commission's 15 March 2024 decision, have been under way for some time. The Commonwealth is concerned that introducing further changes to wage rates may cause confusion with the sector, including employers, workers and care recipients.
6. The Commission's provisional view expressed in paragraph [12] of the Statement would result in wage increases for aged care nurses commencing before the commencement of the Commonwealth's funding commitment in relation to the corresponding wage increases. For this period, the increased costs associated with funding the wage increases would be borne by aged care providers.

7. This impact on business, including employment costs, is relevant to the Commission's consideration of whether its proposed operative date and phasing in is appropriate and consistent with the modern awards objective in s 134(1)(f) of the FW Act.
8. The Commonwealth is not in a position to quantify the impact, and therefore the extent to which it should affect the Commission's consideration of the appropriate approach. However, the Commonwealth is concerned about the effect that commencing substantial wage increases in advance of the Commonwealth's corresponding funding commitment may have on the financial viability of some aged care providers, particularly ones that are already in financial difficulty.
9. The Commonwealth also notes that its observations about the potential fiscal impact of further wage increases for aged care nurses, as set out in paragraph [8.4] of its 12 April 2024 submissions and paragraph [14.8] of its 26 August 2024 submissions, have not changed.
10. The Commonwealth does not otherwise wish to make any submissions about the provisional views expressed in the Statement.

Date: 8 November 2024



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for and on behalf of the  
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These submissions were settled by Kate Eastman SC and Dan Fuller, counsel for the Commonwealth of Australia.