

**FAIR WORK COMMISSION**

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

**WORK VALUE CASE – AGED CARE INDUSTRY**

**COMMONWEALTH’S RESPONSE TO WAGE ADJUSTMENT ISSUES (INTERESTED EMPLOYER PARTIES’ SUBMISSIONS)**

1. These submissions confirm the Commonwealth’s position on funding the outcome of these proceedings, in response to the interested employer parties’ submissions filed on 31 October and 1 November 2023.<sup>1</sup>
2. The Commonwealth reiterates its support for a wage increase for aged care workers that is justified by work value reasons and that it is committed to provide funding to support increases to award wages (together with any associated on-costs) made by the Commission in this matter and that will help deliver a higher standard of care for older Australians.
3. The Commonwealth’s existing funding commitment was made in the context of the original applications before the Commission as at 8 August 2022; and having regard to the Full Bench’s observation in the Stage 1 Decision that it would not be appropriate to contemplate increases beyond those sought in the unions’ applications, at least without providing all interested parties with an opportunity to be heard.<sup>2</sup>
4. To the extent that the applicants and/or other parties now seek increases in award wages going beyond those sought in the original applications before the Commission, the Commonwealth submits that the Commission should not award such additional wage increases at this time. The Commonwealth has not been able to fully evaluate the extent of those potential impacts, noting:
  - 4.1. the implications of any approach taken by the Commission to adjusting internal or external relativities in these proceedings are complex, with the potential for a broader impact on other awards and industries / sectors;<sup>3</sup> and
  - 4.2. the full extent of the changes being sought by the applicants was only made clear in their submissions on wage adjustment issues and the draft determinations filed with those submissions on 15 and 22 September 2023.
5. The Commonwealth also notes that:

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<sup>1</sup> Joint Employers’ Submission on Wage Adjustment Issues dated 1 November 2023 at [13]-[17], [19](y)-(z) and [150]-[155]; letter from Uniting NSW dated 31 October 2023 at p 1; Anglicare Sydney Submission for the Work Value Case dated 1 November 2023 at pp 4, 6.

<sup>2</sup> [2022] FWCFB 200 at [951].

<sup>3</sup> See also Commonwealth’s Response to BD10 dated 7 March 2023 at [38]-[39].

- 5.1. Direct care workers have received total wage increases of approximately 25% since the date of the original applications, having regard to the annual wage review increases since that date as well as the interim increase of 15%.
- 5.2. Given the possible broad consequences for other awards and industries / sectors of any adjustment in internal or external relativities in these awards, the Commonwealth submits those matters may properly be the subject of separate proceedings with stakeholders from across all industries that may be affected being given an opportunity to make submissions.
6. The Commonwealth otherwise does not express a position as to whether the Commission should award any further increases in award wages (beyond the Stage 2 interim increase) up to the amounts sought in the original applications, except to repeat the observations in paragraphs [4] and [5] above.
7. The Commonwealth seeks the opportunity to be heard in relation to the timing and phasing in of any further increases awarded by the Commission at Stage 3 after the Commission has determined, in a preliminary or final sense, the extent of any such increase. The Commonwealth submits this is necessary because until the quantum of any increase is determined, the Commonwealth is unable to properly consider and provide information on the appropriate approach to timing and phasing in of additional funding to support any further increases to award wages. The Commonwealth's fiscal strategy is focused on putting the budget on a more sustainable footing over time and an award increase that is not anticipated by the Commonwealth will have an impact on the budget decisions of government.

Date: 24 November 2023



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These submissions were settled by David Chin SC and Dan Fuller, counsel for the Commonwealth of Australia