

Fair Work Commission (FWC) Wage Increases

June 2023

There has been a fair bit of communication in both the news and via Whiddon regarding the 15% wage increase for Aged Care employees announced by the Fair Work Commission (FWC) in February 2023. More information is flowing through in regard to how the Government will fund this increase. We are committed to passing on this information and confirming, where we can, how this will impact our employees.

In addition, on 2 June 2023 the Fair Work Commission announced the annual Modern Award rate increase.

Please see below a series of FAQ's that should assist you with understanding the impact of both these recent decisions and how these increases will be passed on to eligible employees.

We would like to call out that Whiddon remain committed to maintaining our competitive Enterprise Agreement rates. With the recent announcements regarding funding and Modern Award increases we can now turn our attention to reviewing our position and our own Enterprise Agreement rates. (Please note question 6 below in regard to stage 3 of the Work Value Case)

Whilst we have attempted to predict your questions, if you have other questions, please forward these on to your manager who can pass them on to their P&C Business Partner.

1. What is happening?

In February 2023, the Fair Work Commission (FWC) determined that the minimum wage rates for eligible Aged Care workers will be increased by 15%. This means the award rates for those classifications will increase.

2. Who is eligible?

- Direct Care roles – RN's, EN's, AIN's, Home Care employees
- Recreational Activities and Lifestyle Officers
- Head Chef/Head cook – if they are the most senior chef/cook at the service.

3. How Much?

15% increase on the current Award Rate for the relevant classifications. The relevant Awards are as follows:

- Aged Care Award 2010
- Nurses Award 2020

- Social, Community, Home Care and Disability Services Award 2010

4. When will this apply?

The increase will apply from the first full pay period on or after 30 June 2023.

5. I am eligible, how will I receive it?

The Government has announced the funding to cover the increase and associated on-costs. They have also advised that we should expect to be provided with our revised EA rates. We are unsure, however, when this data will be provided to us. Rather than wait, Whiddon has started this process now to get a better understanding of what this means for our employees and to communicate as soon as possible what the likely outcome will be for our employees.

At this stage, in line with our commitment to pass on the 15% to cover the rates of pay, leave balances, superannuation and various employee on-costs, Whiddon has worked out draft pay rates. We have done this based on calculating the 15% increase on the modern award rates and applying this monetary value to Whiddon's relevant EA rates.

What does this mean?

For e.g., if the Modern Award rate for a particular grade is \$23.99 per hour a 15% increase equates to \$3.60 per hour. We will take that \$3.60 and apply it to the relevant EA rate. See below:

- Current Whiddon EA rate = \$25.87 + \$3.60 = \$29.47
- The revised Whiddon EA rate will become \$29.47.

Please note, whilst the above approach is pending confirmation from the Governments revised pay scales for Whiddon we do believe the above is the most likely approach that will be taken.

6. I am not eligible, what about me?

As mentioned in previous communications, we believe it is disappointing that not all the valuable roles in Aged Care were considered at Stage 1 and 2 of the case. However, all of the roles are part of this overall review. The FWC is reviewing the other classifications not covered in this increase at another hearing i.e., Stage 3. This will cover employees in administration, cleaning, catering, and maintenance roles. They are yet to advise a date for Stage 3.

7. The Annual Modern Award Increase from July 2023

Each year the Fair Work Commission review the minimum wage rates. On 2 June 2023 they announced 5.75% increase to Modern Award Rates.

As Whiddon have an Enterprise Agreement and generally pay above the Award, our next step is to review our Enterprise Agreement rates against the modern award rates to ensure our rates of

pay remain in line or higher. In most cases our rates are higher than the modern award rates, however, with an increase of this level there are some rates that need adjusting.

Will this apply to me?

In most cases, Whiddon already pay above the Modern Award, so a top up is not required. Positively, there are a number of roles which will benefit from this uplift. Generally, these roles are in the Hospitality classifications as per the below examples.

Please note, these are draft rates at this stage.

Whiddon EA Hospitality Grade 1: Roles at this grade include hospitality and catering, cleaning and laundry, maintenance, and handyperson.

- Current EA rate: \$23.92
- Revised EA rate: \$24.92
- This equates to a 4.17% increase.

Beaudesert Support Staff Level 2: Roles in this grade include hospitality, laundry, and catering.

- Current EA rate: \$24.21
- Revised EA rate: \$24.92
- This equates to a 2.95% increase.

Mudgee/Moree Support Stream Level 1: Roles in this grade include cleaning, maintenance, food services and laundry.

- Current EA rate: \$23.92
- Revised EA rate: \$24.92
- This equates to a 4.17% increase.

8. My role is not getting the 15% or 5.75%. What about me?

Please refer to question 6. Non eligible roles remain under review in Stage 3 of the Work Value Case.

There have been a lot of announcements recently regarding wages and budgets. Whiddon has been waiting for this Modern Award increase announcement to understand funding and final wages in new financial year.

Now that we have this information, we will turn our attention to reviewing our Enterprise Agreement rates. Whiddon pride ourselves on having some of the most competitive wages in the industry. It is our intention to maintain our competitive wages.

The next scheduled review of our Enterprise Agreement (EA) rates is due in October 2023. As such, we will again be assessing our EA position, our expected funding following the Federal Budget announcement and whether Fair Work has passed their Stage 3 decision regarding non-care employees. This will inform our EA review and we will then provide an update back to you regarding our position as quickly as possible.