



Australian Government
Department of Health and Ageing

AGED CARE WORKFORCE SUPPLEMENT GUIDELINES

Consultation Draft

Correct as at 3 May 2013

Comment and feedback to be provided to:

workforcesupplement@health.gov.au

by

23 May 2013

Aged Care Workforce Supplement Guidelines – Consultation Draft

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PART A — INTRODUCTION

Covered in this part:

- Aged care reforms
 - Aged Care Workforce Pressures initiative
 - Aged Care Workers and the Aged Care Workforce Supplement
 - Purpose of this consultation draft
-

1 Aged care reforms

On 20 April 2012, the Australian Government released *Living Longer Living Better*, a comprehensive 10 year package to reshape aged care in Australia.

The *Living Longer Living Better* aged care reform package provides \$3.7 billion over five years. It encompasses a 10 year reform program to create a flexible and seamless system that provides older Australians with more choice, control and easier access to a full range of services, where they want them and when they need them.

As part of these reforms, the Government announced up to \$1.2 billion from 1 July 2013 for the Addressing Workforce Pressures initiative which will better support the people who work in aged care.

This initiative will be delivered in two parts, through:

- the Aged Care Workforce Supplement (the subject of these guidelines); and
- an Aged Care Workforce Development Plan.

2 Addressing Workforce Pressures initiative

An appropriately skilled and well qualified workforce is fundamental to the delivery of quality aged care, whether in residential aged care or in a person's home. The Aged Care Workforce Census and Survey, which is conducted every four years, has highlighted that aged care providers continue to have difficulties in attracting and retaining sufficient numbers of skilled and trained workers.

To enable the organisations providing aged care services to assist the growing number of older Australians, it is essential to build their capacity. This includes developing the workforce through better training, increased wages, changes to the workforce structure, better work practices and improved quality in the delivery of care.

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The requirements included in these guidelines were developed in consultation with providers and unions during 2012-13 and contain a number of minimum commitments designed to build the capacity of the aged care sector.

From 1 July 2013, the Australian Government will provide additional funding through an Aged Care Workforce Supplement to aged care providers or organisations that meet the eligibility requirements. This additional funding will provide higher wages and better conditions for aged care workers.

The aim of the Aged Care Workforce Supplement is to:

- improve the aged care sector's capacity to attract and retain a skilled and productive workforce, and
- provide Australian Government funding to assist the sector in delivering fair and competitive wages in the short-term, while longer term options for meeting the challenges of the sector are considered by the [Aged Care Financing Authority](#).

3 Aged care workers and the Aged Care Workforce Supplement

The Terms and Acronyms section of these guidelines provides important information about the staff members, employees or aged care workers that are to be considered in relation to the coverage of the Aged Care Workforce Supplement.

4 Purpose of this consultation draft

Comments and feedback from stakeholders on this consultation draft will inform the final guidelines for the Aged Care Workforce Supplement and relevant subordinate legislation.

These draft guidelines provide information for organisations on:

- proposed application and eligibility requirements for the Aged Care Workforce Supplement, and
- considerations in making the decision whether to apply for the Aged Care Workforce Supplement.

Question 1: After reviewing the guidelines, do they provide sufficient detail to assist your organisation in deciding whether to apply for the Aged Care Workforce Supplement?

If not, what additional information would assist?

PART B — PROVIDERS FUNDED AND REGULATED UNDER THE *AGED CARE ACT 1997*

Covered in this part:

- Eligible programs
 - Application
 - Eligibility criteria
 - Compliance requirements
 - Review of eligibility decisions
 - Eligibility commencement date
-

1 Eligible programs

Residential aged care

An approved provider of residential care is eligible to receive the Aged Care Workforce Supplement in respect of a care recipient if subsidy is payable to the approved provider under Chapter 3 of the *Aged Care Act 1997* for the provision of residential care to the care recipient and the approved provider meets the eligibility requirements described at 3 below in these guidelines.

Home Care Packages

An approved provider of home care is eligible to receive the Aged Care Workforce Supplement in respect of a consumer if subsidy is payable under Chapter 3 of the *Aged Care Act 1997* for the provision of home care to the consumer and the approved provider meets the eligibility requirements described at 3 below in these guidelines.

2 Application

An approved provider must submit an application for the Aged Care Workforce Supplement in a form approved by the Department of Health and Ageing. The proposed draft form is attached to these guidelines.

3 Eligibility criteria

In order for the Department to determine that an approved provider is eligible to receive the Aged Care Workforce Supplement, the following criteria must be satisfied:

- The approved provider must have provided advice in writing to its staff of the provider's intention to apply for the Aged Care Workforce Supplement.

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- If the approved provider is a provider of residential care with 50 or more operational residential care places, the advice to staff must include that the provider will negotiate an enterprise agreement with its employees that meets the minimum wage requirements described at 3.1 below, or negotiate a variation to an existing enterprise agreement so that it meets those requirements.
- If the approved provider is a provider of residential care with fewer than 50 operational residential care places, or is a provider of home care, the advice to staff must include that the provider will negotiate employment arrangements¹ that meet the minimum wage requirements at 3.1 below.
- The advice to staff must include information regarding how the approved provider intends to implement other workforce commitments as described at 3.2 below.
- The approved provider must give the Department an undertaking that it will participate in the Aged Care Workforce Census and Survey as described at 3.3 below and must comply with that undertaking.

3.1 Minimum wage requirements

The advice to employees referred to above must include an undertaking that:

- (a) annual increases in wages (excluding the margin and the Workforce Supplement referred to in paragraphs (b) and (c) below) will be a minimum of 2.75 per cent per annum, or the Fair Work Commission annual minimum wage increase, whichever is higher²;
- (b) wages will exceed the relevant Award rates for all staff by at least the percentage margin shown in Table 1 below³;
- (c) subject to the Department's determination that the Aged Care Workforce Supplement is payable, the approved provider will further increase wages above the margin in paragraph (b) above by a minimum of 1 per cent each financial year that the supplement is payable to 2015-16 and by 0.5 per cent increase in 2016-17.

¹ A provider of residential care with fewer than 50 operational residential care places or a provider of home care may negotiate an enterprise agreement with its employees or negotiate a variation to an existing enterprise agreement to meet the wage requirements and other workforce commitments included in its advice to staff.

² If the Fair Work Commission determines a dollar amount, providers will be expected to convert the dollar amount into a percentage to achieve a minimum increase of 2.75 per cent or higher.

³ The relevant Award rate includes but is not limited to modern awards. See Terms and Acronyms for information about modern awards.

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On-costs are to be borne by providers or organisations, and cannot be offset against wage increases made using Aged Care Workforce Supplement funding. On-costs include superannuation (including the Superannuation Guarantee Charge) and provision for leave.

Table 1 Percentage margin over the relevant Award rates

Aged care occupations	2013-14	2014-15	2015-16	2016-17
Personal and community care workers and other aged care staff	1.50%	3.00%	3.00%	3.00%
Enrolled nurses	2.50%	5.50%	8.50%	8.50%
Registered nurses	4.00%	8.00%	12.60%	12.60%

Supporting information and examples of calculations relating to the minimum wage increase requirements can be found at Part D.

The method used by an approved provider to advise staff that the provider will be submitting an application for the Aged Care Workforce Supplement will depend on each provider's existing staff communication procedures. Providers will need to ensure that all staff are aware that the organisation has applied for the Aged Care Workforce Supplement. If a provider reasonably believes that all staff will be aware of information made available on the organisation's website, or via an email to all staff, or through some other means, then this condition will be met.

Staff engaged after the approved provider has applied for and is receiving the Aged Care Workforce Supplement must be advised that the approved provider is receiving the Aged Care Workforce Supplement.

3.2 Other workforce commitments

The advice to staff referred to above must include information regarding how the approved provider intends to implement other workforce improvements, as summarised in Table 2 below, in addition to the minimum wage increases summarised in 3.1 above in these guidelines.

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Table 2 – Summary of minimum commitments to workforce improvements

Area	Workforce commitment
Enhancing training and education opportunities	<ul style="list-style-type: none">• Access to training and education• Professional development• Representation leave
Improved career structures Improved career development and workforce planning	<ul style="list-style-type: none">• Review of part-time hours• Conversion of casual employees to permanent employees• Workload management• Workplace health and safety• Disciplinary matters

Further detail on these commitments can be found at Part D.

3.3 Aged Care Workforce Census and Survey

In order to be eligible to receive the Aged Care Workforce Supplement, an approved provider must participate in the Department of Health and Ageing's regular Aged Care Workforce Census and Survey.

This commitment refers to future census and survey activity. An approved provider is not prevented from applying for the Aged Care Workforce Supplement if it did not participate previously.

Approved providers of residential care are currently required to participate in the same census and survey to be eligible to receive the Conditional Adjustment Payment (CAP). Participation in the census and survey will continue to be an eligibility requirement for receipt of CAP payments.

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4 Compliance arrangements

The Department of Health and Ageing is responsible for determining whether an organisation complies with the requirements of the Aged Care Workforce Supplement, and these guidelines, in relation to the programs administered by the Department of Health and Ageing.

The Application Form:

- asks applicants to specify the programs covered
- seeks details of the advice provided by providers to employees, and
- incorporates a Declaration by providers about the information provided on the Form.

The Department of Health and Ageing seeks to balance minimising the regulatory burden on providers and obtaining assurance from providers that the pay increases for aged care workers set out in these guidelines are achieved, and the minimum commitments are met.

In addition to the requirements set out in these guidelines and the Application Form, the Department is considering further steps relating to compliance.

The Department of Veterans' Affairs will be responsible for compliance arrangements in relation to VHC and Community Nursing programs.

Question 2 Are there additional assurance mechanisms that the Department should consider in relation to compliance with the requirements of the Aged Care Workforce Supplement?

5 Review of decisions relating to eligibility

In respect of residential aged care and Home Care approved providers, if the Department decides that an approved provider is not eligible to receive the Aged Care Workforce Supplement, the approved provider may apply to the Department for reconsideration of the decision. A decision that has been reconsidered by the Department may be reviewed by the Administrative Appeals Tribunal.

6 Eligibility commencement date

An approved provider is eligible to receive the Aged Care Workforce Supplement from the relevant date specified below.

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Approved providers who notify the Department prior to 1 July 2013 that they meet the eligibility criteria

- The Aged Care Workforce Supplement is payable to an approved provider from 1 July 2013 if, before that date, the approved provider gives the Department sufficient information to satisfy the Department that the approved provider meets the eligibility requirements specified in 3 above in these guidelines.

Applications received between 1 July 2013 and 31 December 2013

- If the Department receives an application in an approved form on or after 1 July 2013 and before 1 January 2014, and the Department is satisfied that the approved provider met the eligibility requirements specified in 3 above on 1 July 2013 or on a later date specified in the application, the Aged Care Workforce Supplement is payable from the date, on or after 1 July 2013 and before 1 January 2014, when the approved provider met the eligibility requirements.

Applications received on or after 1 January 2014

- If the Department receives an application in an approved form on or after 1 January 2014, and the Department is satisfied that at the time the application is received the approved provider meets the eligibility requirements specified in 3 above in these guidelines, the Aged Care Workforce Supplement is payable from the date the application is received by the Department.
- If the Department is satisfied that the application was not received within two days of the application being sent, the application will be taken to have been received two days after it was sent.
- In considering whether an application was sent more than two days before the application was received by the Department, the Department may have regard to any information, relevant to that question, that the approved provider gives to the Department.
- Applications received on or after 1 January 2014 that meet the eligibility requirements will be eligible to receive a level of the Supplement that applies at the time of application.

Question 3 **Is the information provided sufficiently clear on the dates that are relevant to receiving the Supplement?**

Note: **The same question applies to Part C.**

PART C — ORGANISATIONS FUNDED OTHER THAN UNDER THE AGED CARE ACT 1997

Covered in this part:

- Eligible programs
 - Application
 - Eligibility criteria
 - Compliance arrangements
 - Review of decisions relating to eligibility
 - Eligibility commencement date
-

1 Eligible programs

Organisations delivering the Commonwealth HACC program, National Respite for Carers Program (NRCP) and Day Therapy Centre (DTC) programs

The Aged Care Workforce Supplement may be paid to an organisation funded through the Commonwealth HACC program, the National Respite for Carers Program (NRCP) and the Day Therapy Centre (DTC) program.

Home and Community Care (HACC) in Victoria and Western Australia

As at May 2013, the Commonwealth and state governments are discussing arrangements for HACC organisations in Victoria and Western Australia to access the Aged Care Workforce Supplement.

National Aboriginal and Torres Strait Islander Flexible Aged Care Program

The Aged Care Workforce Supplement may be paid to a provider funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Department of Veterans' Affairs (DVA) programs

The Aged Care Workforce Supplement may be paid to an organisation funded through DVA to delivering services under:

- The Veterans' Home Care (VHC) Program which provides low level home care services to eligible veterans and war widows/widowers.
- The DVA Community Nursing (CN) Program which provides access to community nursing services to meet veterans' or war widows/widowers' assessed clinical and/or personal care needs in their own home.

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2 Application

An organisation must submit an application for the Aged Care Workforce Supplement to the Department. The proposed draft form is attached to these guidelines.

3 Eligibility criteria

In order for the Department to determine that an organisation is eligible for the Aged Care Workforce Supplement, the following criteria must be satisfied:

- The organisation must have provided advice in writing to their staff of their intention to apply for the Aged Care Workforce Supplement.
- The advice to staff must include that the organisation will negotiate employment arrangements⁴ that meet the minimum wage requirements at 3.1 below in these guidelines.
- The advice to staff must include information regarding how the provider intends to implement other workforce commitments as described at 3.2 below in these guidelines.
- The organisation must give the Department an undertaking that it will participate in the Aged Care Workforce Census and Survey as per the conditions described at 3.3 below in these guidelines.

3.1 Minimum wage requirements

The advice to staff referred to above must include an undertaking that:

- (a) annual increases in wages (excluding the margin and the Workforce Supplement referred to in paragraphs (b) and (c) below) will be a minimum of 2.75 per cent per annum, or the Fair Work Commission annual minimum wage increase, whichever is higher⁵;
- (b) wages will exceed the relevant Award rates for all staff by at least the percentage margin shown in Table 1 below⁶;

⁴ An organisation may negotiate an enterprise agreement with its employees or negotiate a variation to an existing enterprise agreement to meet the wage requirements and other workforce commitments included in its advice to staff.

⁵ If the Fair Work Commission determines a dollar amount, providers will be expected to convert the dollar amount into a percentage to achieve a minimum increase of 2.75 per cent or higher.

⁶ The relevant Award rate includes but is not limited to modern awards.

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- (c) subject to the Department's determination that the Aged Care Workforce Supplement is payable, the provider will further increase wages above the margin in paragraph (b) above by a minimum of 1 per cent each financial year that the supplement is payable to 2015-16 and by 0.5 per cent increase in 2016-17.

On-costs are to be borne by providers or organisations, and cannot be offset against wage increases made using Aged Care Workforce Supplement funding. On-costs include superannuation (including the Superannuation Guarantee Charge) and provision for leave.

Table 1 Percentage margin over the relevant Award rates

Aged care occupations	2013-14	2014-15	2015-16	2016-17
Personal and community care workers and other aged care staff	1.50%	3.00%	3.00%	3.00%
Enrolled nurses	2.50%	5.50%	8.50%	8.50%
Registered nurses	4.00%	8.00%	12.60%	12.60%

Supporting information and examples of calculations relating to the minimum wage increase requirements can be found at Part D.

The method used by an organisation to advise staff that they will be submitting an application for the Aged Care Workforce Supplement will depend on each organisation's existing staff communication procedures. Organisations will need to ensure that all staff are aware that the organisation has applied for the Aged Care Workforce Supplement. If an organisation reasonably believes that all staff will be aware of information made available on the organisation's website, or via an email to all staff, or through some other means, then this condition will be met.

Staff engaged after the organisation has applied for and is receiving the Aged Care Workforce Supplement must be advised that the organisation is receiving the Aged Care Workforce Supplement.

3.2 Other workforce commitments

The advice to staff referred to above must include information regarding how the organisation intends to implement other workplace improvements, as summarised in Table 2 below, in addition to the minimum wage increases summarised in 3.1 above in these guidelines.

Table 2 – Summary of minimum commitments to workforce improvements

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Area	Workforce commitment
Enhancing training and education opportunities	<ul style="list-style-type: none">• Access to training and education• Professional development• Representation leave
Improved career structures	<ul style="list-style-type: none">• Review of part-time hours
Improved career development and workforce planning	<ul style="list-style-type: none">• Conversion of casual employees to permanent employees• Workload management• Workplace health and safety• Disciplinary matters

Further detail on these commitments can be found at Part D.

3.3 Aged Care Workforce Census and Survey

In order to be eligible to receive the Aged Care Workforce Supplement, an organisation must participate in the Department of Health and Ageing's regular Aged Care Workforce Census and Survey.

This commitment refers to future census and survey activity. An organisation is not prevented from applying for the Aged Care Workforce Supplement if it did not participate previously.

4 Compliance arrangements

The Department of Health and Ageing is responsible for determining whether an organisation complies with the requirements of the Aged Care Workforce Supplement, and these guidelines, in relation to the programs administered by the Department of Health and Ageing.

The Application Form:

- asks applicants to specify the programs covered

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- seeks details of the advice provided by providers to employees, and
- incorporates a Declaration by providers about meeting the requirements of the Aged Care Workforce Supplement.

The Department of Health and Ageing seeks to balance minimising the regulatory burden on providers and obtaining assurance from providers that the pay increases for aged care workers set out in these guidelines are achieved, and the minimum commitments are met.

In addition to the requirements set out in these guidelines and the Application Form, the Department is considering further steps relating to compliance.

The Department of Veterans' Affairs will be responsible for compliance arrangements in relation to VHC and Community Nursing programs.

Question 4 Are there additional assurance mechanisms that the Department should consider in relation to compliance with the requirements of the Aged Care Workforce Supplement?

5 Review of decisions relating to eligibility

Organisations may apply to the Department for reconsideration of a decision that they are not eligible to receive the Aged Care Workforce Supplement.

6 Eligibility commencement date

An organisation is eligible to receive the Aged Care Workforce Supplement from the relevant date specified below.

Applications received prior to 1 July 2013

- The Aged Care Workforce Supplement is payable to an organisation from 1 July 2013 if, before that date, the provider gives the Department sufficient information to satisfy the Department that the provider meets the eligibility requirements specified in 3 above in these guidelines.

Applications received between 1 July 2013 and 31 December 2013

If the Department receives an application in an approved form on or after 1 July 2013 and before 1 January 2014, and the Department is satisfied that the organisation met the eligibility requirements in 3 above in these guidelines on 1 July

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2013 or on a later date specified in the application, the Aged Care Workforce Supplement is payable from the date, on or after 1 July 2013 and before 1 January 2014, when the organisation met the eligibility requirements.

Applications received on or after 1 January 2014

- If the Department receives an application in an approved form on or after 1 January 2014, and the Department is satisfied that at the time the application is received the organisation meets the eligibility requirements specified in 3 above in these guidelines, the Aged Care Workforce Supplement is payable from the date the application is received by the Department.
- If the Department is satisfied that the application was not received within two days of the application being sent, the application will be taken to have been received two days after it was sent.
- In considering whether an application was sent more than two days before the application was received by the Department, the Department may have regard to any information, relevant to that question, that the approved provider gives to the Department.

Applications received on or after 1 January 2014 that meet the eligibility requirements will be eligible to receive a level of the Supplement that applies at the time of application.

PART D — MEETING THE COMMITMENTS OF THE AGED CARE WORKFORCE SUPPLEMENT

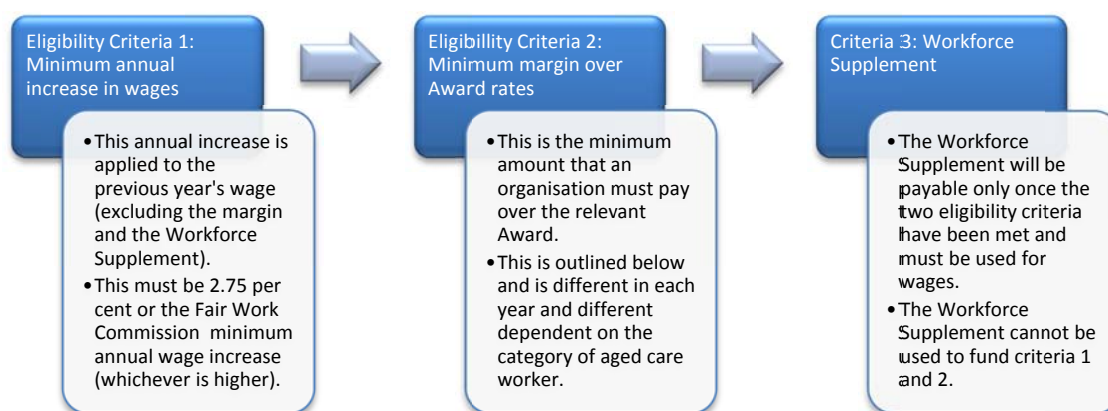
Covered in this part:

- Wage increases - minimum requirement
- Examples of minimum wage increases
- Workforce commitments
- Considerations for providers or organisations

1 Wage increases - minimum requirement

There are two minimum wage requirements that must be applied prior to passing on the Aged Care Workforce Supplement as a further increase. These two minimum requirements are referred to as eligibility criteria and are outlined below. The explanatory examples provided demonstrate the process for calculating the minimum wage increases and calculating the Workforce Supplement.

Figure Minimum Wage increases — Workforce Supplement Criteria



Eligibility Criteria 1. Minimum annual increase in wages

Firstly, ensure that the annual increase in wages is a minimum of 2.75 per cent per annum, or the Fair Work Commission (FWC) annual minimum wage increase, whichever is higher by following the steps below:

1. Calculate the annual increase in wages by determining the percentage difference between the previous year annual wage and current year annual wage

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2. If the percentage difference is less than 2.75% or less than the FWC annual minimum wage increase, then the eligibility criteria has not been met and the Workforce Supplement is not payable
3. If the percentage difference is at least 2.75% (or the FWC annual minimum wage increase if this is higher than 2.75%), criteria 1 is met. Continue to eligibility criteria 2, Minimum margin over the relevant Award rates.

Eligibility Criteria 2. Minimum margin over the relevant Award rates

A minimum margin over the relevant Award rates as set out in Table 1 - Percentage margin over the relevant award rate, must be paid as wages for all staff and is determined by following the steps below:

1. Calculate the percentage difference between the current year annual wage and the relevant current year annualised Award rate
2. If the percentage difference calculated in step 1 is less than the margin set out at Table 1 - Percentage margin over the relevant award rate, for the relevant occupation, then the eligibility criteria has not been met and the Workforce Supplement is not payable
3. If the percentage difference of the current year annual wage and the relevant current year annualised Award rate is at least the margin set out at Table 1 - Percentage margin over the relevant award rate, for the relevant occupation, continue to criteria 3, Workforce Supplement.

Table 1 - Percentage margin over the relevant Award rates

Aged care occupations	2013-14	2014-15	2015-16	2016-17
Personal and community care workers and other aged care staff	1.50%	3.00%	3.00%	3.00%
Enrolled nurses	2.50%	5.50%	8.50%	8.50%
Registered nurses	4.00%	8.00%	12.60%	12.60%

Criteria 3. Aged Care Workforce Supplement amount

The Aged Care Workforce Supplement must be passed on to aged care staff as wage increases, delivering a **minimum** wage increase of 1 per cent for all aged care staff each year to 2015-16 and a 0.5 per cent increase in 2016-17. The Workforce Supplement cannot be used for any other purpose, including employee on-costs such as superannuation (including the Superannuation Guarantee Charge) or leave provisions.

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The Workforce Supplement is not cumulative: rather, it is applied to each year's annual wage at a rate of 1.0 per cent up to 2015-16 and 0.5 per cent in 2016-17.

The aged care Workforce Supplement amount of 1% (or 0.5% in 2016-17) is applied to the current year annual wage determined after satisfying eligibility criteria 1 and 2. The supplemented wage is calculated as follows:

1. Determine the wage increase component due to the Workforce Supplement which is 1% (or 0.5% in 2016-17) of the current year annual wage (after satisfying eligibility criteria 1 and 2).
2. Add this wage increase component to the current year annual wage

2 Examples of minimum wage increases

The following examples are for illustrative purposes only. The examples are intended to assist providers and organisations to understand the process in calculating the Aged Care Workforce Supplement after applying the eligibility requirements.

Scenario 1 (for organisations without Enterprise Agreements):

For the purposes of the scenario, Malina is an entry level community care worker and her employer has applied for the Workforce Supplement. Malina's annual wage at 1 July 2012 is \$34,413 per year and Malina's annual wage from 1 July 2013 is \$35,500. The relevant Award that applies to Malina's occupation and level in 2013-14, is \$30,175. The Fair Work Commission annual minimum wage increase in 2013-14, for this scenario, is 2.50 per cent.

Step 1: Meeting Criteria 1 - Minimum annual increase in wages

Firstly, ensure that annual increases in wages are a minimum of 2.75 per cent per annum, or the Fair Work Commission annual minimum wage increase, whichever is higher.

To meet step 1, even though the Fair Work Commission annual minimum wage increase in 2013-14 is, for this scenario, 2.50 per cent, Malina's wage must increase by at least 2.75 per cent each year. Malina's annual wage from 1 July 2013 is \$35,500. This amount is greater than 2.75 per cent above her 2012-13 wage. The first eligibility criteria has been met and the minimum margin over the relevant Award rate can now be considered in step 2.

Step 2: Meeting Criteria 2 - Minimum margin over the relevant Award rates

A minimum margin over the relevant Award rates for all staff must be paid as wages, by at least the percentage margin shown in the Table 1 Percentage margin over relevant Award rates.

Malina's actual wage for 2013-14 of \$35,500 must be at least 1.50 per cent higher than the relevant annualised Award wage of \$30,175. Malina's wage is 1.50 per cent higher than the

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relevant annualised Award rate and therefore the second eligibility criteria has been met and Malina's wage is eligible for the Aged Care Workforce Supplement wage increase.

Step 3: Aged Care Workforce Supplement

The Aged Care Workforce Supplement amount of 1% (or 0.5% in 2016-17) is applied to the current year annual wage determined after satisfying eligibility criteria 1 and 2. Malina's wage in 2013-14 is \$35,500 and satisfies the requirements of steps 1 and 2. Malina's employer passes on the Aged Care Workforce Supplement of \$355 as a wage increase. This brings Malina's supplemented annual wage to \$35,855 (\$35,500 + \$355).

From 2013-14 to 2016-17, Malina's wage will increase as shown below:

Table 2 - Changes in Malina's annual wage

	2013-14	2014-15	2015-16	2016-17
Wage	\$35,500	\$36,476	\$37,479	\$38,603
Annualised Award wage*	\$30,175	\$31,005	\$31,780	\$32,733
Fair Work Commission annual minimum wage increase*	2.50%	2.75%	2.50%	3.00%
Annual wage increase	2.75%	2.75%	2.75%	3.00%
Margin	1.50%	3.00%	3.00%	3.00%
Supplement	\$355	\$365	\$375	\$193
Supplemented Wage	\$35,855	\$36,841	\$37,854	\$38,796

** For illustrative purposes only*

Scenario 2 (for organisations with enterprise agreements):

For the purposes of this scenario, Hayley is a registered nurse working in residential aged care and her employer has applied for the Workforce Supplement. Hayley's annual wage at 1 July 2012 is \$71,500 and she receives a 4.0 per cent annual wage increase each year (as specified in her employer's enterprise agreement). If Hayley were to be on an Award rate rather than an enterprise agreed rate, her annualised wage would be \$46,600. The FWC annual minimum wage increase in 2013-14, for this scenario, is 2.50 per cent.

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Step 1: Minimum annual increase in wages

To meet step 1, Hayley's wage must increase by at least 2.75 per cent each year (or the FWC annual minimum wage increase, whichever is higher). In 2013-14 based on Hayley's enterprise agreement, her annual wage will increase by 4.0 per cent to \$74,360.

The 4.0 per cent is greater than the minimum increase of 2.75 per cent per annum and the FWC annual minimum wage increase of 2.5 per cent. The first eligibility criteria has been met and the minimum margin over the relevant annualised Award rate can now be considered in step 2.

Step 2: Minimum margin over the relevant Award rates

Hayley's annual wage is \$74,360 in 2013-14. In order to apply for the Workforce Supplement, Hayley's employer must provide her with a margin over the annualised Award rate of 4.0 per cent as determined in Table 1 - Percentage margin over the relevant Award rates. If Hayley was paid an Award rate rather than an rate agreed in her enterprise agreement, her annual wage would be \$46,571. As Hayley receives more than 4.0 per cent over the annualised Award rate, the second eligibility criteria has been met and Malina's wage is eligible for the Aged Care Workforce Supplement wage increase.

Step 3: Aged Care Workforce Supplement

Hayley's wage in 2013-14 is \$74,360, which satisfies steps 1 and 2 above. Hayley's employer passes on the Aged Care Workforce Supplement of \$744 as a wage increase. This brings Hayley's 2013-14 supplemented annual wage to \$75,104 (\$74,360 + \$744).

From 2013-14 to 2016-17, Hayley's wage will increase as shown below:

Table 3 - Changes in Hayley's annual wage

	2013-14	2014-15	2015-16	2016-17
Wage	\$74,360	\$77,334	\$80,427	\$83,644
Annual Award wage*	\$46,571	\$47,852	\$49,048	\$50,519
Fair Work Commission annual minimum wage increase*	2.50%	2.75%	2.50%	3.00%
Annual wage increase	4.0%	4.0%	4.0%	4.0%
Margin	4.0%	\$8.0	12.60%	12.60%
Supplement	\$744	\$773	\$804	\$418
Supplemented Wage	\$75,104	\$78,107	\$81,231	\$84,480

** For illustrative purposes only*

Question 5 Will the examples of the kind provided in section 2 assist your organisation in considering how the the Aged Care Workforce Supplement will contribute to minimum wage increases?

3 Workforce commitments

The wording on the workforce commitments below is provided for guidance only and does not constitute model clauses for use in enterprise agreements or other workplace mechanisms or employment arrangements.

It is open to approved providers or organisations to improve upon these provisions, based on agreed operating requirements at the enterprise level, and in line with the objectives of their enterprise agreements or employment arrangements.

Providers or organisations are expected to commit to these workforce commitments in their written advice to employees.

Enhancing training and education opportunities

Access to training and education

- Aged care employees are to be given access to appropriate and targeted education, training and development opportunities that are necessary and relevant to their roles and responsibilities.
- Such training should be provided to employees during normal rostered hours of work.

Professional development

Employers commit to the professional development of employees. This commitment can be supported in a variety of ways at the enterprise level.

Representation leave

Employers recognise the importance of training for those who play a representative role in the workplace through consultative committees and dispute resolution. This can be recognised in different ways at the enterprise level.

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Improved career structures, improved career development and workforce planning

Employers make a commitment to taking action in areas identified as contributing to supporting improved retention rates for aged care employees.

Review of part-time hours — work-life balance and flexible working arrangements

The inclusion of work-life balance and flexible working arrangements is an essential part of attracting and retaining employees.

Providers will need to commit to cover processes and arrangements for managing and systematically reviewing the working hours of part-time employees.

- Where an employee is regularly working more than their guaranteed minimum number of hours the employee may request to have their hours reviewed annually.
- The hours worked in the following circumstances will not be incorporated in any adjustment.
 - If the increase in hours is as a direct result of another employee being absent on leave, such as for example, annual leave, long service leave, maternity leave, workers compensation; and
 - If the increase in hours is due to a temporary increase in hours only due, for example, to the specific needs of a resident or client.
- If a review establishes that a consistent pattern of greater hours is being worked, the employer will offer the employee those additional hours as part of their guaranteed minimum number of hours.

Providers may set this provision, at the enterprise level, in the context that any adjusted guaranteed minimum number of hours resulting from a review is to reflect roster cycles and shift configurations.

Conversion of casual employees to permanent employees

Employers will use an agreed mechanism for converting casual employees who work regular and systematic hours, covering the following:

- A casual employee who has been rostered on a regular and systematic basis over a period of 26 weeks has the right to request conversion to permanent employment. An employee, who does not make a request within four weeks of the right to request falling due, is deemed not to have elected to convert.
- The new contract would generally be on the basis of the same number of hours as previously worked; however, the hours must be capable of fitting within the existing

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shift and rostering arrangements. Other arrangements may be implemented by agreement between the employer and the employee.

- The employer may consent to or refuse the request, but shall not unreasonably withhold agreement to such a request.

Providers may set this provision, at the enterprise level, in the context that the hours must be capable of fitting within the existing shift and rostering arrangements.

Workload management

- Employees and management have a responsibility to maintain a balanced workload and recognise the adverse effects that excessive workloads may have on employee/s and the quality of resident/client care.
- Workload management should be dealt with as and when the need arises, as determined at enterprise level.

Workplace health and safety

In recognition that improved occupational health and safety is a priority for improving the working lives of employees and the overall productivity of the sector more broadly, the minimum expectation is as follows:

Employers should set up consultative structures to support positive change in the area of workplace health and safety, supported by a program of training for participants and managers, and staff more broadly.

Disciplinary matters

Employers should ensure that, in disciplinary procedures, provision is made to cover representation and procedural fairness.

4 Considerations for organisations

The Aged Care Workforce Supplement is a contribution by the Commonwealth to increased wages.

Each organisation will need to consider its individual circumstances to determine whether or not to apply for the Aged Care Workforce Supplement.

Considerations may include, but are not limited to:

- The requirement that an enterprise agreement must be in place for residential aged care providers with 50 or more operational places.
- The eligible programs or combinations of programs for which the provider is funded, taking into account that:

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- the Aged Care Workforce Supplement only applies to the programs specified in these guidelines.
- The organisation's current business and employment arrangements, including workplace relations arrangements and current wage rates, noting that:
 - applying for the Aged Care Workforce Supplement provides an opportunity for those organisations with existing enterprise agreements, or proposing to negotiate an agreement, to consider increasing workplace flexibility and enhancing workforce capacity, and
 - the Aged Care Workforce Supplement provides increased funding for organisations to offer above-award wages and other employment conditions that can improve the attraction and retention rates for their aged care workers.

PART E — PAYMENT ARRANGEMENTS

Covered in this part:

- Payment arrangements for programs funded under the *Aged Care Act 1997*
 - Payment arrangements for programs funded other than under the *Aged Care Act 1997*
-

1 Payment arrangements for programs funded under the *Aged Care Act 1997*

1.1 Residential aged care provider

An approved provider of residential care that meets the eligibility requirements for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the basic subsidy amount for residential care in 2013-14 calculated on a pro rata basis if the approved provider is not eligible for the Aged Care Workforce supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

The Aged Care Workforce Supplement is calculated on the basic subsidy amount, being:

- daily ACFI subsidy rate, or
- daily RCS saved rate, or
- default rate for new residents for whom an Application for Classification has not been received by Department of Human Services, or
- daily residential respite care rate

less any reductions that have been applied for late receipt of appraisals or reappraisals.

The basic subsidy amount does not include any primary or other supplements.

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1.2 Home Care Package approved providers

An approved provider of home care that meets the eligibility requirements for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the basic subsidy amount for Home Care in 2013-14 calculated on a pro rata basis if the approved provider is not eligible for the Aged Care Workforce supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

The basic subsidy amount does not include any primary or other supplements.

2 Payment arrangements for programs funded other than under the *Aged Care Act 1997*

2.1 Commonwealth HACC program — All States and Territories (excluding Victoria and Western Australia)

Organisations that apply for and meet the eligibility requirements and commitments for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the total amount payable under the funding agreement in 2013-14, calculated on a pro rata basis if the organisation is not eligible for the Aged Care Workforce Supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

Organisations will receive payment through the implementation of new schedules linked to their funding agreements. Organisations will not need to provide invoices as supplement payments will be linked to their milestone payments.

2.2 Joint Home and Community Care (HACC) Program in Victoria and Western Australia

As at publication of this Guide, the Commonwealth and States are discussing arrangements for organisations to access the Workforce Supplement in Victoria and Western Australia.

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2.3 National Respite for Carers Program (NRCP)

Organisations that apply for and meet the eligibility requirements and commitments for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the total amount payable under the funding agreement in 2013-14, calculated on a pro rata basis if the organisation is not eligible for the Aged Care Workforce Supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

Organisations will receive payment through the implementation of new schedules linked to their funding agreements. Organisations will not need to provide invoices as supplement payments will be linked to their milestone payments. Organisations receiving brokerage funding for respite services will not be eligible for the Aged Care Workforce Supplement for the brokerage component of their funding.

2.4 Day Therapy Centre (DTC) program

Organisations that apply for and meet the eligibility requirements and commitments for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the total amount payable under the funding agreement in 2013-14, calculated on a pro rata basis if the organisation is not eligible for the Aged Care Workforce supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

Organisations will receive payment through the implementation of new schedules linked to their funding agreements. Organisations will not need to provide invoices as supplement payments will be linked to their milestone payments.

2.5 National Aboriginal and Torres Strait Islander Flexible Aged Care Program

Organisations that apply for and meet the eligibility requirements and commitments for the Aged Care Workforce Supplement will receive additional funding equal to:

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- 1% of the total amount payable under the funding agreement in 2013-14, calculated on a pro rata basis if the organisation is not eligible for the Aged Care Workforce supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

Organisations will receive payment through variations to their funding agreements.

2.6 Department of Veterans' Affairs (DVA) Programs – Veterans' Home Care and Community Nursing Programs

Organisations that apply for and meet the eligibility requirements and commitments for the Aged Care Workforce Supplement will receive additional funding equal to:

- 1% of the total amount payable under the funding agreement in 2013-14, calculated on a pro rata basis if the organisation is not eligible for the Aged Care Workforce Supplement for the whole of the financial year
- 2% in 2014-15
- 3% in 2015-16, and
- 3.5 % in 2016-17.

Organisations will receive payment through variations to their contractual arrangements with the Department of Veterans' Affairs. As DVA pays a fee for the provision of these services, this payment process will be based on the actual fees paid to VHC and Community Nursing providers.

PART F — SUPPORTING INFORMATION RELATING TO ENTERPRISE AGREEMENTS

Covered in this part:

- Enterprise agreements
 - Resolution of workplace disputes
-

1 Enterprise agreements

1.1 Sources of information on enterprise bargaining

The Fair Work Commission (FWC) website provides information on:

- Agreement-making
- the agreement approval process,
- how to terminate an agreement, and
- how to vary an agreement.

In addition, organisations may wish to consider contacting their national or local aged care association.

1.2 Enterprise agreement-making

Awards cover a whole industry or occupation and only provide a safety net of minimum pay rates and employment conditions. Enterprise agreements can be tailored to meet the needs of particular enterprises.

Organisations that must have an enterprise agreement to be eligible for the Aged Care Workforce Supplement can negotiate amendments to an existing agreement, or choose to negotiate a new agreement to access the Aged Care Workforce Supplement.

1.3 Role of the Fair Work Commission

The Fair Work Commission is an independent body with the power to carry out a range of functions relating to the safety net of minimum wages and employment conditions, enterprise bargaining, industrial action, dispute resolution, termination of employment, and other workplace matters.

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1.4 Enterprise agreements

The *Fair Work Act 2009* provides a framework that assists employers and employees to bargain in good faith to make an enterprise agreement. Employers, employees and their bargaining representatives are involved in the process of bargaining for a proposed enterprise agreement.

The Australian Government is seeking to encourage benefits of bargaining, including in smaller enterprises, to drive greater productivity at the workplace through a focus on improved flexibility and enhanced workforce capability.

For more information regarding enterprise bargaining, refer to:

www.fairwork.gov.au/resources/fact-sheets/workplace-rights/pages/enterprise-bargaining-fact-sheet.aspx

www.fairwork.gov.au/BestPracticeGuides/11-Improving-workplace-productivity-in-bargaining.pdf

Enterprise agreements are agreements made at an enterprise level between employers and employees about terms and conditions of employment.

Good faith enterprise bargaining is at the heart of Australia's workplace relations system which includes a framework that provides opportunities for all workers, including nurses and carers, to negotiate enterprise agreements that improve wages and conditions as well as workplace productivity and flexibility.

Types of enterprise agreements include:

- Single-enterprise agreements—involving a single employer or one or more employers (such as in a joint venture) co-operating in what is essentially a single enterprise (such employers are known as single interest employers).
- Multi-enterprise agreements—involving two or more employers that are not all single interest employers.

1.5 Union membership

It is not a requirement for employees of an organisation to be members of a union in order to negotiate an enterprise agreement.

Under the *Fair Work Act 2009*, all employers, employees and independent contractors are free to become, or not to become, members of an industrial association, such as a trade union or employer association.

For more information regarding 'General Protections' under the *Fair Work Act 2009* refer:

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www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf

1.6 Approval of enterprise agreements by the Fair Work Commission

Once an enterprise agreement is made, a bargaining representative for the agreement must apply to the Fair Work Commission (the Commission) for approval of the agreement.

For further information on enterprise bargaining, including the approval process, please visit the Fair Work Commission's website at www.fwc.gov.au.

There is no lodgement fee when lodging an application for agreement approval.

An employer may incur other costs such as the cost of a workplace consultant/lawyer and the cost of conducting a vote. These costs may vary significantly depending on a range of factors including the size of the workplace, the complexity of the issues involved and the voting method selected.

2 Resolution of workplace disputes

2.1 Role of the Fair Work Commission in dispute resolution

Members of the Fair Work Commission are experienced in a wide range of alternative dispute resolution techniques including conciliation, mediation and arbitration.

They are skilled in helping employers and employees resolve workplace disputes and can suggest means of resolving differences that may not have been immediately apparent to those directly involved.

They are also impartial and have a sound knowledge and understanding of the relevant legal and industrial issues.

Depending on the circumstances, the Commission can exercise statutory powers that enable disputes to be resolved on a final basis.

Who can seek assistance from the Fair Work Commission?

In general, the Commission can assist in resolving disputes involving employers, employees and unions and employer associations who are covered by the national workplace relations system.

These include:

- any employer that is a constitutional corporation
- any employer in Victoria or the territories

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- the Commonwealth (including any Commonwealth authority)
- any employee of one of the above types of employers, and
- a registered union or employer organisation.

2.2 Types of disputes that can be referred to the Fair Work Commission

The main types of disputes that can be referred to the Commission are:

- disputes under the terms of an award or a collective or enterprise agreement
- bargaining disputes, and
- disputes arising under the general protections provisions of the *Fair Work Act 2009*

For further information please visit the Fair Work Commission's website at www.fwc.gov.au.



AGED CARE WORKFORCE SUPPLEMENT APPLICATION FORM

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Complete one form to apply for the Aged Care Workforce Supplement.

Approved providers or organisations must satisfy the Department of Health and Ageing that they are eligible to receive the Aged Care Workforce Supplement.

PART A – Applicant Details

Question 1: What is the Legal Entity name, postal address and ABN of the Applicant:	
--	--

Question 2: Which services /programs does your organisation deliver for which you wish to receive the Aged Care Workforce Supplement (you may select more than one):

Services / Programs	ID
Residential Aged Care	NAPS ID: _____
Home Care Packages	NAPS ID: _____
Commonwealth HACC Program	Aged Care Portal SK Number: _____
National Respite for Carers Program (NRCP)	PIMS: _____
Day Therapy Centre Program (DTC)	PIMS: _____
National Aboriginal and Torres Strait Islander Flexible Aged Care Program	NAPS ID: _____
Department of Veterans' Affairs Veterans' Home Care Program (VHC)	DVA Provider Number or UIN: _____
Department of Veterans' Affairs Community Nursing Program (CN)	DVA Provider Number or UIN: _____

PART B – Terms and Conditions

Question 3: Have you written to each of your aged care staff to notify them that you are applying for the Aged Care Workforce Supplement?
Yes / No
Please attach a copy of your advice to your staff (e.g. copy of letter, email, staff website update).



Question 4: Does your written advice to your aged care staff comply with the requirements specified in Part B 3 and Part C 3 of the Aged Care Workforce Supplement Guidelines?
Yes/No

Question 5: Does your organisation undertake to participate in the Aged Care Workforce Census and Survey?
Yes/No

Question 6: What is the date that you have indicated you will meet the matters specified in Part B 3 and or Part C 3 of the Aged Care Workforce Supplement Guidelines, in your written advice to staff?
(DD/MM/YYYY)_____

To ensure payment is correct, please ensure you specify the start for wage increases.
(DD/MM/YYYY) for wage increase_____

PART C - Declaration

I declare that:

1. I am the authorised person to certify against the information provided above; and
2. I declare that the details I have provided in this form are true and correct to the best of my knowledge; and
3. I understand that giving false or misleading information to the Australian Government is a serious offence.

Authorised Person		Witness	
Signature:		Signature:	
Name:		Name:	
Job/Title:		Job/Title:	
Date:		Date:	
Phone:		Phone:	

Please return by either:
Post: TBA

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Question 6 Is the proposed Form clear? Are there aspects that need to be improved?

Note: Information on completing the form will be provided, once the entries have been settled, following consultations about the guidelines.



TERMS AND ACRONYMS

These terms are defined for the purposes of the interpretation of this document. The interpretation of terms defined in legislation, including the *Aged Care Act 1997* and Principles made under that Act, will take priority to the extent of any inconsistency with these terms.

<i>Aged Care Act 1997</i>	The principal legislation that regulates the aged care program from 1 October 1997
Aged Care Principles	The Aged Care Principles are subordinate legislation made under the <i>Aged Care Act 1997</i>
Approved provider	A person or body approved by the Secretary of the Department of Health and Ageing to operate aged care services funded by the Australian Government under the <i>Aged Care Act 1997</i>
CALD	Culturally and Linguistically Diverse
CAP	Conditional Adjustment Payment
Commonwealth	Commonwealth of Australia
Community Nursing (CN)	Community Nursing Program administered by the Department of Veterans' Affairs
The Department	The Department of Health and Ageing
DTC	Day Therapy Centres provide a wide range of therapy and services to frail aged people living in the community and to some residents of Commonwealth funded residential aged care facilities
DVA	The Department of Veterans' Affairs
EA	Enterprise agreements relating to workplace relations matters that are made at an enterprise level between employers and employees and cover terms and conditions of employment.
Existing EA	An enterprise agreement that is in place as at 1 July 2013. It is possible that approved providers or organisations may have more than one existing EA in place as at 1 July 2013.
The Commonwealth HACC program	The Commonwealth HACC program provides services such as domestic assistance, personal care as well as goods and



	equipment, transport, meals, home modifications and maintenance, counselling, information and advocacy for people aged 65 years and over, or 50 years and over for Aboriginal and Torres Strait Islander people, in all states and territories except Victoria and Western Australia
Home Care Packages	<p>Subject to the passage of amending legislation, from 1 July 2013, four levels of Home Care Packages will be established, providing a continuum of home care options covering basic home care support through to complex home care. The packages will be delivered by providers approved under the <i>Aged Care Act 1997</i> to provide home care:</p> <ul style="list-style-type: none">• Level 1 — a new package to support people with basic needs• Level 2 — a package to support people with low level care needs similar to the existing Community Aged Care Package• Level 3 — a new package to support people with intermediate care needs• Level 4 — a package to support people with high level care needs similar to the existing Extended Aged Care at Home (EACH) package <p>Further information on the Home Care Packages Program is available on the <i>Living Longer Living Better</i> website.</p>
Minister	The Commonwealth Minister responsible for the <i>Aged Care Act 1997</i>
Modern Awards	Modern Awards are legal documents made by Fair Work Australia, setting out certain minimum conditions; including pay rates workers receive in a particular industry or when doing a certain job. Each Modern Award also describes the types of work to which it applies
NRCP	The National Respite for Carers Program is designed to contribute to the support and maintenance of caring relationships between carers and their dependent family members
Residential aged care	Personal and/or nursing care that is provided to a person in an



	aged care home in which the person is also provided with accommodation that includes appropriate staffing, meals, cleaning services, as well as furnishings, furniture and equipment for the provision of that care and accommodation
Secretary	Secretary of the Commonwealth Department of Health and Ageing OR Secretary of the Commonwealth Department of Veterans' Affairs
Staff member, employee or aged care worker	<p>Staff member, employee or aged care worker includes (but is not limited to):</p> <ul style="list-style-type: none">• a personal and community care worker;• an Enrolled Nurse; or• a Registered Nurse. <p>It may also include other employees of the organisation. Further information about the types of aged care workers covered by the Aged Care Workforce Supplement, can be found in the following Modern Awards:</p> <ul style="list-style-type: none">• <i>Nurses' Award 2010</i> - applies to a range of nursing classifications including enrolled and registered nurses in the health and aged care industries.• <i>Aged Care Award 2010</i> - is the relevant award for residential aged care workers including personal care workers.• <i>Social, Community, Home Care and Disability Services Industry Award 2010</i> (modern SACS award) - is the relevant award for community care workers.• <i>Health Professionals and Support Services Award 2010</i> - applies to allied health workers.• <i>Aboriginal Community Controlled Health Services Award 2010</i> – applies to organisations delivering aged care services under the National Aboriginal and Torres Strait Islander Flexible Aged Care program. <p>While it is not feasible to cover in the definition every possible workplace or employment arrangement, it is intended that all staff directly employed by the organisation will be included.</p> <p>The following staff are not covered by the Workforce Supplement:</p>



	<ul style="list-style-type: none">• state and territory government employees• staff hired by an organisation on a temporary basis through a labour hire agency• independent contractors sub-contracted by an organisation.
Veterans' Home Care (VHC)	The Veterans' Home Care Program administered by the Commonwealth Department of Veterans' Affairs