



Australian Disability Enterprises: Sector Profile

Miranda Pointon, Joelle Leggett, Shannon-Kate Archer, Kim Maltman, Alice Pung and Elizabeth Leung
Australian Fair Pay Commission Secretariat

Disability Studies Research Centre in partnership with People with Disability Australia Incorporated
University of New South Wales

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The Australian Fair Pay Commission Secretariat also acknowledges the comments and advice provided by members of the Disability Roundtable in contributing to the overall development of the Sector Profile as well as their specific contributions in relation to the research.

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List of acronyms

Abbreviation	Explanation
2007 Census	FaHCSIA Disability Service Census 2007
ABL	Australian Business Lawyers
ACCI	Australian Chamber of Commerce and Industry
ACTU	Australian Council of Trade Unions
AFDO	Australian Federation of Disability Organisations
AHRC	Australian Human Rights Commission
AIRC	Australian Industrial Relations Commission
Commission	Australian Fair Pay Commission
BSWAT	Business Services Wage Assessment Tool
DEAC	Disability Employment Action Group
DEEWR	Australian Department of Education, Employment and Workplace Relations
Disability Enterprises	Australian Disability Enterprises
Disability Services Act	<i>Disability Services Act 1986</i>
DSP	Disability Support Pension
FaHCSIA	Australian Department of Families, Housing, Community Services and Indigenous Affairs
FOFMS	FaHCSIA Online Funding Management System
Guide	Commonwealth of Australia, <i>Wage Assessment in Business Services: A Guide to Good Practice Wage Determination</i> , 2001
HREOC	Human Rights and Equal Opportunity Commission (now the Australian Human Rights Commission)
ICC	Disability Sector National Industry Consultative Committee
IP	Invalid Pension
Jenny Pearson	Jenny Pearson and Associates Pty Ltd
LHMU	Liquor, Hospitality and Miscellaneous Union
LHMU Award	Australian Liquor, Hospitality and Miscellaneous Workers Union Supported Employment (Business Enterprises) Award 2001
LHMU Pay Scale	The Pay Scale derived from the Liquor, Hospitality and Miscellaneous Union Supported Employment Service Award 2005
NDS	National Disability Services
Pay Scale	Australian Pay and Classification Scale
Secretariat	Australian Fair Pay Commission Secretariat
SEA	Sheltered Employment Allowance
Special Business Services Pay Scale	Special Business Services (Employees with a disability) Australian Pay and Classification Scale, [2007] APCS 2
SWS	Supported Wages System

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VECCI	Victorian Employers' Chamber of Commerce and Industry
WAT	Wage Assessment Tool
WR Act	<i>Workplace Relations Act 1996</i>

1. Overview

Role of the Australian Fair Pay Commission

The Australian Fair Pay Commission (Commission) is an independent body responsible for adjusting federal minimum and classification wages. The Commission is supported by the Australian Fair Pay Commission Secretariat (Secretariat), which performs functions to assist the Commission including commissioning research and coordinating consultations.

The *Workplace Relations Act 1996* (WR Act) requires the Commission to promote the economic prosperity of the people of Australia, having regard to a number of factors including the provision of minimum wages for employees with disability to ensure that these employees are competitive in the labour market. The Commission's wage-setting decisions generally affect employees with disability in two types of employment: Open Employment and Australian Disability Enterprises (Disability Enterprises).

Open Employment organisations employ people with disability who are engaged in the mainstream workforce alongside fully productive employees in a commercial setting. In Open Employment, if the employee's disability does not affect their productive capacity, they earn full adult wages. If employees are unable to perform the range of duties to the productivity level required due to their disability, then they may earn wages under the Supported Wage System (SWS).¹

Disability Enterprises (formerly known as Sheltered Workshops, Business Services or Supported Employment) are businesses (all currently non-profit organisations²) that provide employment for people with disability who generally require support to remain in paid employment. Employees are paid an income based on their competency and/or productive output,³ and generally require support from the Disability Enterprise organisation, which may include vocational training, personal development and social skill development.

The Commission convened the Disability Roundtable, an expert body of key stakeholders, to provide advice on issues relating to the employment of people with disability. The membership of the Disability Roundtable includes the Commission, Secretariat and representatives nominated by:

- Australian Department of Education, Employment and Workplace Relations (DEEWR);
- Australian Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Australian Chamber of Commerce and Industry (ACCI);
- Australian Council of Trade Unions (ACTU);

1 The Supported Wage System (SWS) was introduced in 1994 to improve employment opportunities for people with disabilities in open employment. Under the SWS, eligible people with a disability can access productivity-based wage assessment and related workplace-specific assistance in order to access appropriate jobs.

2 'A non-profit organisation is one which is not operating for the profit or gain of its individual members, whether these gains would have been direct or indirect. This applies both while the business is operating and when it winds up. Any profit made by the organisation goes back into the operation of the organisation to carry out its purpose and is not distributed to any of its members. ...

Non-profit clause

The assets and income of the organisation shall be applied solely in furtherance of its above mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation' <<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/33732.htm>>.

3 See tenBroek, J., 'The Character and Function of a Sheltered Workshop', 1995, The National Federation of the Blind, <<http://www.blind.net/g3800001.htm>>, accessed at 8 May 2009; and Australian Government Department of Families, Housing, Community Services and Indigenous Affairs, 'About Australian Disability Enterprises', *Australian Disability Enterprises*, <<http://www.austliandisabilityenterprises.com.au/About.aspx>> accessed at 8 May 2009.

- Liquor, Hospitality and Miscellaneous Union (LHMU);
- Australian Federation of Disability Organisations (AFDO);
- National Disability Services (NDS); and
- Australian Human Rights Commission (AHRC).

There are currently 357 Disability Enterprise outlets in Australia run by 208 organisations providing supported employment assistance to approximately 20,000 people with moderate to severe disability, who need substantial ongoing support to maintain their employment.⁴ These Disability Enterprises operate in a wide range of industries including design, printing, packaging, manufacturing, laundry and landscaping.⁵

Gaps in understanding the Disability Enterprises sector

Regulation of employment for employees in Disability Enterprises has undergone substantial change in recent years, including:

- transforming sheltered workshops, unregulated by a formal industrial relations system, into the Disability Enterprises sector where formal employment relationships exist;
- requiring employers in Disability Enterprises to meet quality assurance standards in order to be eligible for Australian Government funding; in particular, requiring Disability Enterprises to pay employees pro rata award-based wages determined by wage assessment tools (WAT);
- requiring Disability Enterprises to phase in payment of pro rata award-based wages by 11 May 2008;
- removing wage rates from awards previously used by Disability Enterprises and inserting these rates into Australian Pay and Classification Scales (Pay Scales); and
- the creation of a Special Pay Scale for employees with disability in Disability Enterprises by the Commission (Special Business Services (Employees with a disability) Australian Pay and Classification Scale, [2007] APCS 2 (Special Business Services Pay Scale)).

From conducting research, and through consultation with the Disability Roundtable, the research found that there were gaps in information about employment in Disability Enterprises, particularly in relation to wage-setting. Specifically, there was no qualitative or quantitative data available which examined wage-setting by Disability Enterprises.

Historically, the majority of data and information about the sector has been held by FaHCSIA. This information has primarily been collected for accreditation and funding purposes with little information directly available on the views and wage-setting experiences of employers and employees in the sector.

The WR Act provides that one of the ways in which the Commission may inform itself is by monitoring the impact of its wage-setting decisions. As part of this monitoring process, the research identified the need to create a sector profile of Disability Enterprises to assist in filling this knowledge gap in relation to wage-setting.

⁴ Data provided by FaHCSIA's Online Funding Management System Data from March 2009.

⁵ FaHCSIA, 'About Australian Disability Enterprises', *Australian Disability Enterprises*, < <http://www.australiandisabilityenterprises.com.au/About.aspx> > accessed at 8 May 2009.

Disability Enterprises sector research

In order to develop a profile of the wage-setting practices within the Disability Enterprise sector, an integrated research strategy was scoped and developed, in consultation with the Disability Roundtable. This strategy consisted of four projects.

Statistical Study

The Statistical Study was designed to create an up-to-date 'snapshot' of the Disability Enterprises sector as at 2009, by conducting a comparative analysis of published and unpublished data provided by FaHCSIA from 2007 and 2009. The two data sources included the FaHCSIA Disability Services Census 2007 and internal reporting data derived from the FaHCSIA Online Funding Management System (FOFMS).

Wage Assessment Tool Audit

The Wage Assessment Tool Audit was designed to provide an overview and analysis of WATs approved by the Commission for use in the Special Business Services Pay Scale and the Pay Scale derived from the Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005 (LHMU Pay Scale). This project consisted of an analysis of 28 WATs out of the 30 attached to the Special Business Services Pay Scale. The WATs are analysed against 29 questions developed in consultation with the Disability Roundtable to gather further information about the operation of tools. The results are analysed to determine similarities and differences between the different WATs.

Employer Survey

The Employer Survey provides insight into the practical application of WATs in the Disability Enterprises sector as well as further information regarding the wage instruments, classifications and base rates of pay used by employers and sources of information on changes in minimum wages. For this reason, it was necessary to ask employers directly about their current sources for rates of pay. The final responses accounted for 71 per cent (144 organisations) of a total sampling frame of 203 organisations invited to participate.

Employee Focus Groups

The objective of this research was to explore the employment experience and work-related circumstances of people with disability working in Disability Enterprises including employees' levels of understanding as to how their wages were calculated. This research was conducted by the University of New South Wales Disability Studies Research Centre in partnership with People with Disability Australia Incorporated and consisted of five focus groups each containing six to eight participants, working at various Disability Enterprises and three in-depth interviews with employees working at these Disability Enterprises.

Key findings

Each of the four projects revealed a number of key findings relating to the Disability Enterprises Sector (Chapters 3, 4, 5 and 6). Below is an integrated analysis of these key findings, outlining where possible any similarities or trends drawn from all four projects to create an overview of the sector in 2009.

Wage instruments

Pay Scale coverage and use of Pay Scale rates

While employees in Disability Enterprises may be covered by one of three Pay Scales, one of these Pay Scales is limited to coverage of a single organisation. Minimum wage coverage in the sector is provided by the LHMU Pay Scale and the Special Business Services Pay Scale. The Employer Survey revealed that over half (61 per cent) of survey respondents indicated that they were covered by the LHMU Pay Scale, and the remaining 38 per cent indicated that their organisation was covered by the Special Business Services Pay Scale.

In deriving rates of pay, the research found that just over half (55 per cent) of Disability Enterprises derived their rates of pay from the LHMU and the Special Business Services Pay Scales. The remainder of organisations sourced their classifications and wage rates from alternative wage instruments. These included Pay Scales derived from: the Clothing Trades (State) Award (NSW); the Furnishing Industry National Award; the Miscellaneous Gardeners &c. (State) Award (NSW) and the General Store Workers, Packers, Wholesale Sellers and Distributors (State) Award (SA).

Minimum rates of pay

The Employer Survey indicated that the majority (90 per cent) of Disability Enterprises indicated that they were using an amount equal to or greater than the Grade 1 classification rate in the LHMU and Special Business Services Pay Scale of \$14.31 per hour as their base rate of pay for their employees.

In relation to final rates of pay determined after an employee's wage assessment has been applied against a base rate of pay, the WAT Audit indicated that over two-thirds of WATs (20 WATs out of 28) included capped minimum rates of pay regardless of an employee's assessment.⁶ However, the WATs found by the Employer Survey to have the greatest coverage (the Business Services WAT (BSWAT) and the SkillsMaster WAT) did not contain clearly specified minimum rates of pay, either as a percentage or as a set hourly/weekly rate.

The Statistical Study found that in 2007 the majority of employees (76.9 per cent) in the Disability Enterprise sector earned a gross wage of \$100 or less each working week. However, it is important to note that the Statistical Study revealed that in both 2007 and 2009, the majority of employees in Disability Enterprises were employed on a part-time basis.

Wage assessment process

Use of wage assessment tools

The research found (through employers surveyed) that most organisations are using one of four WATs: the BSWAT, SkillsMaster WAT, SWS WAT and Greenacres WAT. Further, the research also found that the majority of WATs (19 out of 30) currently approved under the Special Business Services Scale are being used by single organisations only.

⁶ These minimum rates of pay could also include training or probationary rates of pay.

Application of wage assessment tools to industries

The research found that most WATs covered the assessment of specific tasks and occupations in a particular industry, such as gardening, paper manufacturing, timber, assembly, packing, clothing and laundry.

Only four tools in the WAT Audit could be applied to any general industry. However, these tools had the greatest use. According to the Statistical Study, the BSWAT was used for assessment purposes for 10,718 employees as at February 2009; and 49 per cent of surveyed respondents in the Employer Survey indicated their organisations were using the BSWAT, while 11 per cent were using the SkillsMaster WAT. The Employer Survey and WAT Audit found that industry-specific tools were generally used by less employers than WATs capable of applying to more than one industry.

Method of assessment

The research found that the majority of WATs assessed their employees under hybrid tools (i.e. methods that measure both productivity and competency). Few WATs assessed employees on productivity or competency only. This finding was consistent with the Statistical Study which found 77 per cent of WATs applied against employees in the 2007 Census were hybrid tools.

Assessors

Wage assessments can be conducted internally within a Disability Enterprise (e.g. by an employee of the organisation) or externally (e.g. by independent third-party assessors such as CRS Australia).

The WAT Audit highlighted that five WATs used external assessors only. Of these five, two were the BSWAT and the SWS WAT, which the Employer Survey found had the highest levels of usage of surveyed organisations.

The WAT Audit found that a significant majority of audited WATs used internal assessors to conduct the wage assessment process (22 out of 28 WATs). The Employer Survey confirmed that over one-third (38 per cent) of respondents reported that wage assessments were conducted using internal assessors. The Employer Survey found that many of the organisations performing wage assessments in-house were those that developed their own WAT, or were using the SkillsMaster and Greenacres WATs.

Of the 28 WATs, 20 WATs outlined that they used assessors with a Certificate IV qualification in Workplace Training and Assessment, and all but one of the respondents in the Employer Survey reported that a staff member conducting the assessments had undertaken relevant training to perform assessments. Other respondents of the Employer Survey reported that assessors had undertaken training specifically related to the WAT being used by the organisation.

Provision of information to employees

The research indicated that information provided to employees about wage assessments and wages is predominantly provided by the organisation. The majority of respondents in the Employer Survey (97 per cent) reported that there was opportunity for a support person to be present when such information was provided. The Employee Focus Group findings suggested that most commonly, participants identified a member of staff as providing information regarding their rates of pay. The Employee Focus Group research further

supported that employees were aware that they could seek information from designated officers within the organisation, though raised that some participants also had families that play an active role in supporting them in being informed about issues in relation to their work.

The Employee Focus Group research found that there were various levels of understanding from participants about how their wages were assessed. Although the majority of focus group participants displayed some understanding of their hourly rate or the amount of their weekly or fortnightly pay, a small number were unable to demonstrate this knowledge.

Training

The research found only a small amount of information could be drawn about training and supervision in the sector, and the findings are inconsistent. The WAT Audit found that more than half of the WATs incorporated ongoing training and supervision into the assessment process.

Most participants in the Employer Survey advised that they provided benefits and conditions to their employees in addition to the wage provided by the WAT to their employees; paid time off to attend training and provision of additional training were commonly cited benefits.

Most participants in the Employee Focus Groups reported that they had been trained in a variety of jobs and had developed skills sets across the organisation's machinery and job tasks. A few participants indicated that training took the form of formal or structured skills development tailored to increase employee competencies and diversify skills.

Dispute resolution procedures

The research highlighted that there were dispute resolution procedures in place for most WATs, but that it may not be clear for employees that these procedures were available.

Most WATs (24 out of 28) had a clearly defined appeals and dispute resolution process, and a majority (19 WATs) provided for an advocate to represent an employee in the event of an appeals process.

However, the participants in the Employee Focus Groups demonstrated varying levels of knowledge in relation to opportunities to appeal or question the wage assessment process. Results from the Employee Focus Group found that participants who had the skills and opportunity to speak up in their workplace were often those who understood the wage assessment process on the most detailed level.

Conclusion

The research found that:

- Disability Enterprise employees were engaged in a number of different industries and occupations;
- in deriving rates of pay, the research found that just over half (55 per cent) of Disability Enterprises derived their rates of pay from the LHMU and the Special Business Services Pay Scales. The remainder of organisations sourced their classifications and wage rates from alternative wage instruments;

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- the most frequently cited Pay Scale level used to calculate minimum rates of pay by employers was Grade 1 of the LHMU Pay Scale;
- Disability Enterprise employees varied in their understanding of the how wages were determined; and
- there are a number of approved WATs for use in the sector (30), but the majority of organisations used one of four WATs: the BSWAT; SkillsMaster WAT; SWS WAT; and the Greenacres WAT. With the exception of the Greenacres WAT, all of these WATs were designed to be adaptable for general use in any industry.

Acknowledgements

The Australian Fair Pay Commission Secretariat acknowledges the expert comments and advice provided by Jenny Pearson and Associates Pty Ltd on the Wage Assessment Tool Audit Chapter (Chapter 4) and of Mr Kelvin Yuen's (Australian Fair Pay Commission Secretariat) assistance on the Statistical Study (Chapter 3).

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2. Background to the Australian Disability Enterprises Sector

This chapter provides a background on wage-setting in the Disability Enterprises sector, including a historical overview of the legislation and Government policies that have affected this sector.

Employees with Disability and Legislation

An 'employee with a disability' is defined for minimum wage-setting purposes by s. 178 of the WR Act as follows:

... an employee who is qualified for a disability support pension as set out in section 94 or 95 of the *Social Security Act 1991*, or would be so qualified but for paragraph 94(1)(e) or 95(1)(c) of that Act.

An employee qualifies for the Disability Support Pension (DSP) under the *Social Security Act 1991* (SS Act) when an employee who has turned 16 is permanently blind (s. 95). Otherwise, s. 94(1) of the SS Act provides that an employee can qualify for DSP qualification if:

- (a) the person has a physical, intellectual or psychiatric impairment; and
- (b) the person's impairment is of 20 points or more under the Impairment Tables; and
- (c) one of the following applies:
 - (i) the person has a continuing inability to work;
 - (ii) the Health Secretary has informed the Secretary that the person is participating in the supported wage system administered by the Health Department, stating the period for which the person is to participate in the system; and
- (d) the person has turned 16; ...

Section 94 further provides that a person will meet the requirement of a 'continuing inability to work' where they are unable to work independently of a program of support (or undertake training to enable such work) for at least 15 hours per week at a relevant minimum wage for a fully productive employee.

Prior to 1991 employees with disability had access to Commonwealth Government financial support through the Invalid Pension (IP).⁷ The payment of this pension was dependent on means and asset testing. In 1967, a Sheltered Employment Allowance (SEA) was introduced for persons employed in sheltered workshops eligible to receive an IP.

In 1991 the IP and SEA were replaced by the DSP. To be eligible for a DSP an applicant needed a physical, intellectual or psychiatric impairment rating of at least 20 points⁸ on the impairment tables in the SS Act and be unable to work more than 30 hours per week. In July 2006 the threshold was reduced to its present level, which is an inability to work for more than 15 hours a week. People who were no longer eligible for a DSP were transferred to Newstart Allowance. Those who had received a DSP before 10 May 2005 were not affected by the changes.⁹

7 The *Invalid and Old Age Pension Act* was passed in June 1908 and provided a means-tested 'flat-rate' invalid pension: Disability Information and Resource Centre Inc., 'History of Disability in South Australia', updated 2007, <<http://history.dircsa.org.au/1900-1999/invalid-pension/>>, accessed at 30 April 2009.

8 This replaced the previous requirement that an individual had to be assessed as possessing an 85 per cent permanent incapacity: Commonwealth of Australia, 'Employment of People with Disabilities: Report of the Senate Standing Committee on Community Affairs', April 1992 <http://www.aph.gov.au/Senate/committee/clac_ctte/completed_inquiries/pre1996/disabilities/report.pdf> accessed at 30 April 2009.

9 Disability Information and Resource Centre Inc., 'History of Disability in South Australia', <updated 2007, <http://history.dircsa.org.au/1900-1999/invalid-pension/>>, accessed at 30 April 2009.

History of Australian Disability Enterprises

Disability Enterprises have their origins in sheltered workshops. Sheltered workshops were community organisations set up in the 1950s by parents of children with disabilities and special needs to provide employment and support during an era where employment opportunities for people with disability were limited.¹⁰

In 1967 the Commonwealth Government passed the *Sheltered Employment (Assistance) Act 1967*, which provided grants to non-profit organisations to establish and equip sheltered workshops. In that same year the Commonwealth Government also introduced a Sheltered Employment Allowance for individuals working in sheltered employment. They were paid at the same rate as those on an IP, but a means test was structured to allow for their earnings.¹¹

The *Handicapped Persons Assistance Act 1974* further increased Commonwealth funding and subsidies to eligible organisations that provided training, therapy and rehabilitation. From 1983 to 1985 the Commonwealth Government conducted a review of funding programs for people with disabilities which resulted in the *Disability Services Act 1986* (Disability Services Act). The Objects of the Disability Services Act included:

- (b) to assist persons with disabilities to receive services necessary to enable them to work towards full participation as members of the community;
- (c) to promote services provided to persons with disabilities that:
 - (i) assist persons with disabilities to integrate in the community, and complement services available generally to persons in the community;
 - (ii) assist persons with disabilities to achieve positive outcomes, such as increased independence, employment opportunities and integration in the community; and
 - (iii) are provided in ways that promote in the community a positive image of persons with disabilities and enhance their self esteem; ...
- (f) to assist in achieving positive outcomes, such as increased independence, employment opportunities and integration in the community, for persons with disabilities who are of working age by the provision of comprehensive rehabilitation services.

Disability Enterprises have traditionally operated outside of the federal and state systems of employment regulation through a lack of specific coverage (federal) or statutory exemption (state).

In 1993 the LHMU applied to the Australian Industrial Relations Commission (AIRC) to create the Australian Liquor, Hospitality and Miscellaneous Workers Union Supported Employment (Business Enterprises) Award 1993.¹² The award provided rates of pay, and permitted pro rata wages for employees with disability in Disability Enterprises, but did not include any basis for determining how employees' wages were to be assessed. This award was superseded by the Australian Liquor, Hospitality and Miscellaneous Workers Union

10 FaHCSIA, 'Australian Disability Enterprises', last updated 23 April 2009, <<http://www.fahcsia.gov.au/sa/disability/progserv/providers/AustralianDisabilityEnterprises/Pages/AustralianDisabilityEnterprises.aspx>>, accessed at 8 May 2009.

11 If they earned more than \$10 per week (Single) or \$17 per week (Married) their SEA was reduced by one dollar for every two they earned: Dale Daniels, 'Social Security Pensions for the Aged, People with Disabilities and Carers 1909 to 2006 – Part 1', August 2006 <<http://www.aph.gov.au/library/Pubs/online/aged1.htm>>, accessed at 14 April 2009.

12 ODN C No. 20680 of 1991 and 20549 of 1992 are the two cases which create this award: Australian Industrial Relations Commission, *Industrial Relations Commission Website Live Help Service*, <<http://server.iad.liveperson.net/hc/51647459/?cmd=file&file=chatFrame&site=51647459&imageUrl=http://www.airc.gov.au/support/chat/images&referrer=http%3A//www.airc.gov.au/support/chat/chatwarning.htm&sessionkey=H634212823669976486-52824174056388183K1025816688>>, accessed at 21 May 2009.

Supported Employment (Business Enterprises) Award 1998, which bound a small number of Disability Enterprises. This award also did not specify any WATs to be used, but included a commitment by the parties to discuss and agree on a WAT to be included in the award in the future.

What is a wage assessment tool?

Minimum classification wages for Disability Enterprises are specified in Pay Scales (previously awards). A wage assessment tool, also included in Pay Scales, is an instrument that provides a method for Disability Enterprises to determine pro rata wages for their employees. Wage assessment tools provide a method to assess the productive capacity of employees with disability, taking into account factors such as the quality of work, the amount of supervision required and the productivity of the employee.

Wage assessment tools can be generic tools that are applicable to any industry, or specific tools that apply only to a particular Disability Enterprise.

An example of a wage assessment tool, 'The Business Services Wage Assessment Tool' can be found at <http://www.fahcsia.gov.au/sa/disability/pubs/employers/pages/supporting_quality_services.aspx>.

In 1996 the Australian Government announced further reforms to improve service quality to match service funding to the support needs of people with disability and to link funding to employment outcomes. As a result of these reforms, sheltered workshops were progressively moved into the Disability Enterprises model. The Australian Government also introduced legislated quality assurance standards for Disability Enterprises. These quality standards required an independent third party to determine whether a Disability Enterprise met these quality standards as a pre-condition of ongoing government funding. Disability Enterprises are currently funded by FaHCSIA.

In 2000, the report *A Viable Future: Strategic Imperatives for Business Services*¹³ was published as a result of a joint endeavour between ACROD Ltd (now National Disability Services) and FaHCSIA, following a review of Disability Enterprises. The report

identified strategies and made recommendations to modernise the sector, make it more commercially focused, improve the quality of services and strengthen the viability of the sector as a whole.

In 2002, amendments to the Disability Services Act¹⁴ required Disability Enterprises to meet additional standards to qualify for Australian Government funding. The new standards included the requirement to pay 'award-based wages' using a transparent WAT to determine pro rata wage rates.¹⁵ Disability Service Standard 9 relates to the employment conditions of people with disability, and provides that:

Each person with a disability enjoys comparable working conditions to those expected and enjoyed by the general workforce.¹⁶

Due to the economic impact of an increase in wage costs arising from complying with the amended Disability Services Act, FaHCSIA reached agreements with some Disability

13 *A Viable Future – Strategic Imperatives for Business Services* (2000). Report prepared by KPMG Consulting on behalf of the Department of Family and Community Services and ACROD.

14 *Disability Services Amendment (Quality Assurance) Act 2002*.

15 To assist Disability Enterprises introduce these pro rata award rates to meet the new standard, FaHCSIA developed the BSWAT. This tool was designed to assess the productivity and competency of each employee and calculate a proportionate wage. It was developed in consultation with disability service providers, businesses, and consumer and union representatives. However, the use of the BSWAT was not mandatory, and under the new standards Disability Enterprises could implement another tool that met the requirements of the standard.

16 *Disability Service Standards, Standard 9*. Standard 9.9 further provides that 'the Agency ensures that each employee with a disability receives award wage rates or pro rata award wage rates determined through an independent industrial relations process.'

Enterprises for 'phasing in' compliance with the new standards. In 2006, 61 Disability Enterprises (employing 5,714 employees) had agreements in place to phase in compliance with the quality standards by 11 May 2008.¹⁷

From 2001 to 2002, the AIRC began a process of Award Simplification. As part of this process the Australian Liquor, Hospitality and Miscellaneous Workers Union Supported Employment (Business Enterprises) Award 1998 was superseded by the Australian Liquor, Hospitality and Miscellaneous Workers Union Supported Employment (Business Enterprises) Award 2001 (LHMU Award).¹⁸ The LHMU Award attached a number of WATs that pro rated wages based on factors such as relative productivity and competency.¹⁹

In the 2003 Safety Net Review,²⁰ the Disability Employment Action Centre and the National Council on Intellectual Disability (collectively referred to as DEAC in the Safety Net Review) submitted a written intervention to the AIRC,²¹ raising concerns about the legal capacity of some employees in Disability Enterprises to consent to an enterprise bargaining agreement.

Under the WR Act, the AIRC was obliged to refuse to certify agreements it thought discriminated against workers with disability.²² The AIRC was also required not certify an agreement if the agreement had not been explained to the employee in ways that were appropriate having regard to the persons' particular circumstances and needs.²³ DEAC submitted that:

Due to the large numbers of [Disability Enterprises] throughout Australia it is impractical to intervene in each individual matter so many of these Agreements are passing through the certification process without objection.²⁴

Concerns were also raised that a significant number of the most commonly used federal awards did not include the model supported wage clause. It was suggested that the model supported wage clause should extend to the Disability Enterprise sector, and be included in the LHMU Award.²⁵

In 2003 the AIRC established the 'Disability Sector National Industry Consultative Council' (ICC) to consider these matters. In establishing the ICC, the AIRC felt it was appropriate for the ICC to explore issues such as enterprise bargaining in the Disability Enterprises sector:²⁶

One of the requirements for an agreement to be certified is that a '*valid majority*' of employees must '*genuinely approve*' or '*genuinely make*' an agreement before it may be certified (ss.170LT(5) and (6)). Such requirements may be problematic where there is an issue as to the legal capacity of the employees concerned to give such consent. Indeed it may be that enterprise bargaining is not appropriate in this sector.²⁷

17 Australian Government, 2006, Submission to the *Australian Fair Pay Commission 2006*, 28 July 2006, p. 352, para. 11.41.

18 AW841959.

19 Australian Government, 2006, Submission to the *Australian Fair Pay Commission 2006*, 28 July 2006, p. 346, para. 11.19.

20 Australian Industrial Relations Commission, *Safety Net Review Wages May 2003 Decision* (PR002003).

21 Section 43(1) of the *Workplace Relations Act 1996* grants the Commission the power to grant parties leave to intervene and make a submission to the Safety Net Review.

22 *Workplace Relations Act 1996*, s 170LU.

23 *Workplace Relations Act 1996*, s. 170LT (7).

24 Disability Employment Action Centre and National Council for Intellectual Disability, *Safety Net Review 2003*, 18 February 2003, p. 4.

25 Australian Industrial Relations Commission, *Safety Net Review Wages May 2003 Decision* (PR002003), para. 231 [4].

26 There were no formal terms of reference established for the ICC.

27 Australian Industrial Relations Commission, *Safety Net Review Wages May 2003 Decision* (PR002003), para. 231 [9].

Organisations invited to participate in the ICC included:

- Australian Council of Trade Unions (ACTU);
- Liquor, Hospitality and Miscellaneous Union (LHMU);
- Department of Employment and Workplace Relations (DEWR);
- Department of Family and Community Services (DFACS);
- Australian Chamber of Commerce and Industry (ACCI);
- Victorian Employers' Chamber of Commerce and Industry (VECCI);
- Disability Employment Action Centre (DEAC);
- National Council for Intellectual Disability (ABI);
- Australian Business Industrial (ABI);
- Australian Catholic Commission for Employment Relations (ACCER);
- Workplace Relations Consulting;
- ACROD Ltd;
- Disability Services Australia Ltd; and
- Australian Industry Group (AiG).²⁸

In 2004, after consulting with key stakeholders, the LHMU applied to the AIRC to vary the LHMU Award to recognise new WATs that corresponded with the new regulatory standards set by the Commonwealth Government.²⁹ The LHMU indicated that it would also seek to extend coverage of the LHMU Award to cover all Disability Enterprises.

The industry parties to this application included the LHMU, ACTU, employer representatives including ACROD Ltd,³⁰ VECCI and Australian Business Lawyers (ABL). These parties agreed upon the following key issues in relation to varying the LHMU Award such that:

- a number of specific WATs were to be included. Some WATs were to be confined to use by certain Disability Enterprises only; and
- for a period of time after variation of the LHMU Award, Disability Enterprises would be able to nominate further tools for inclusion in the award, provided the tool met the requirements of the quality assurance standards. FaHCSIA agreed to arrange for each of these future proposed tools to be assessed against the *Guide to Good Practice Wage Determination* (the Guide) to ensure they met the new standards.

In August 2005 the AIRC varied the LHMU Award to reflect the agreement as it applied to the employers then bound by the award.³¹ Accordingly, the 2001 LHMU Award was superseded by the Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005. It was anticipated that this award would be extended to other Disability Enterprises in the sector, excluding Western Australia, through 'roping-in' applications. The varied LHMU Award authorised the use of 11 WATs for employers covered by this Award. Since this variation, the industry parties to the 2005 LHMU Award

28 Other organisations present during the first meeting included Australian Parent Advocacy Inc, Victorian Hospitals' Industrial Association, Employers First, Proactive Employee Relations and Disability Services Australia.

29 ACCI, *Submission to the Australian Fair Pay Commission 2006 Review*, 2006, p. 468, para. 21.35.

30 ACROD Ltd was rebranded to National Disability Services in 2007. Prior to being ACROD Ltd, ACROD was previously an acronym for Australian Council for the Rehabilitation of the Disabled.

31 Australian Industrial Relations Commission, s. 113 Applications for Variations, C2004/4617 and C2005/1405, PR961607.

sought the inclusion of an additional 11 new proposed WATs, but these were not approved by the AIRC prior to the *Workplace Relations Amendment (Work Choices) Act 2005* coming into effect in 2006.

The new industrial relations framework introduced by the *Workplace Relations Amendment (Work Choices) Act 2005*, among other changes, removed wages from awards and created Pay Scales to specify minimum wage and casual loading arrangements. Pre-existing disability wage arrangements in both federal and state systems were preserved in the form of preserved Pay Scales derived from pre-existing state and federal wage instruments, including:

- the preserved Pay Scale derived from the Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005 (LHMU Pay Scale);
- preserved Pay Scales derived from Special Wage Permits issued by state industrial registrars prior to 27 March 2006; and
- the preserved Pay Scale derived from the Cooma Challenge Limited Business Services (State) Award.

Creation of the Special Business Services Pay Scale

For employees not covered by the above preserved Pay Scales, gaps in coverage of disability wages remained. It was estimated that 200 employees fell into this category in 2006.³²

In 2006, the newly established Commission was given powers under the amended WR Act to set and adjust minimum wages for employees with disabilities to ensure that those employees remained competitive in the labour market.³³ These powers included the ability to determine and adjust special Federal Minimum Wages for employees with disability,³⁴ and the ability to create and adjust Pay Scales that determined basic rates of pay for employees with disability.³⁵ The Commission drew on information gathered through consultations, submissions and research for its wage decisions.³⁶ To assist the Commission in its new role with relation to disability wages, in 2006 the Commission established the Disability Roundtable to provide advice on disability wage issues. The membership of the Disability Roundtable includes the Commission, Secretariat and representatives nominated by:

- Department of Education, Employment and Workplace Relations (DEEWR);
- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Australian Chamber of Commerce and Industry (ACCI);
- Australian Council of Trade Unions (ACTU);
- Liquor, Hospitality and Miscellaneous Union (LHMU);
- Australian Federation of Disability Organisations (AFDO);
- National Disability Services (NDS); and
- Australian Human Rights Commission (AHRC).

³² AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, October 2006, p. 115.

³³ *Workplace Relations Act 1996* (Cth), s. 23(d).

³⁴ *Workplace Relations Act 1996* (Cth), 12th edition, s. 22(1) (b).

³⁵ *Workplace Relations Act 1996* (Cth), 12th edition, s. 220(1).

³⁶ *Workplace Relations Act 1996* (Cth), 13th edition, s. 24(2) (a) and (b).

To fill gaps in minimum wage coverage in the Disability Enterprise sector, the Commission created a new Pay Scale for Disability Enterprises³⁷ to cover employees not otherwise covered by a preserved Pay Scale in its 2006 general Wage-Setting Decision.³⁸ In addition to the 11 WATs already attached to the LHMU Pay Scale, this decision attached the additional 11 WATs mutually agreed by the stakeholder industry parties.³⁹

As discussed earlier, one component of continuing to qualify for Australian Government funding was that Disability Enterprises were required to be covered by an approved wage instrument prior to 11 May 2008. The Commission's 2006 general Wage-Setting Decision invited 'submissions at any time regarding the addition of new WATs to preserved Pay Scales, new special Pay Scales and new special FMW instruments'.⁴⁰

The Commission's 2007 general Wage-Setting Decision⁴¹ outlined a specific process and timeline for the approval of non-recognised wage assessment tools for use in Disability Enterprises. This process, which 'largely reflected the pre-Work Choices process'⁴² was as follows:

1. Disability Enterprises wishing to have a new wage assessment tool added to the special Pay Scale make a submission to the Commission.
2. The submission is referred to FaHCSIA, which engages an independent third-party consultant. The consultant conducts an independent assessment of the wage assessment tool, measuring the tool against the requirements of the Guide to Good Practice Wage Determination.
3. The Commission consults the Disability Roundtable on the proposed wage assessment tool.
4. The Commission makes a decision whether to approve the wage assessment tool.
5. If approved, the wage assessment tool is added to the new special Pay Scale, which covers employees with a disability working in Disability Enterprises.

In Wage-Setting Decision 1/2008 the Commission adjusted the Special Business Services Pay Scale to include a further nine WATs.⁴³ At present, there are a total of 30 WATs approved under the Special Business Services Pay Scale.⁴⁴

In May 2009 Disability Enterprises were covered by one of the following three Pay Scales:

- the LHMU Pay Scale;
- the Special Business Services Pay Scale; or
- the preserved Pay Scale derived from the Cooma Challenge Limited Business Services (State) Award.

37 'New Special Pay Scale – Employees with a Disability who are unable to perform a range of duties to the competence level required because of the effects of a disability on their productive capacity – are employees in business services and are not currently covered by a Pay Scale.' This Pay Scale was later consolidated into the Special Business Services (Employees with a disability) Australian Pay and Classification Scale, [2007] APCS 2 (Business Services Pay Scale).

38 Wage-Setting Decision 1/2006.

39 In its Wage-Setting Decision 1/2006, the Commission varied the LHMU Pay Scale to include the additional 11 WATs agreed to by the industry parties.

40 AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, July 2006, p. 119.

41 AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, July 2007.

42 AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, July 2007, p. 93.

43 In Wage-Setting Decision 1/2008, the Commission further varied the LHMU Pay Scale to include an additional eight WATs, bringing the total number of approved WATs in this Pay Scale to 30.

44 In Wage-Setting Decision 1/2009, the Australian Fair Pay Commission removed the Paraplegic-Quadruplegic Association of WA (Inc.) Wage Assessment Tool from the Special Business Services (Employees with a Disability) Australian Pay and Classification Scale [2007] APCS 2 from 1 June 2009. This reduced the number of Wage Assessment Tools attached to the Special Business Services Pay Scale from 31 to 30.

3. Statistical Study

This chapter provides a comparative analysis of two data sources which included the FaHCSIA Disability Service Census 2007 and internal reporting data derived from the FaHCSIA Online Funding Management System (FOFMS) in 2009, to create a 'snap shot' of the Disability Enterprises sector as at 2009.

Data sources

The internal reporting data are derived from FOFMS, a computerised system that allows Disability Enterprises to input data regarding their clients (including employees). At the end of each month, FOFMS automatically calculates funding payments for each Disability Enterprise. The raw data provided was based on data retrieved from FaHCSIA's internal reporting systems in March 2009 and mainly provided data on an organisational level rather than employee level, as contrasted with the published data based on the FaHCSIA Disability Services Census 2007 data (2007 Census data).

The 2007 Census data was collected on 29 June 2007 (Census day) by the Australian Government and also included the collection of data on the aggregate number of employees in all disability service types in 2006–07.⁴⁵ Part of the Census data collected included information regarding employees with disability employed in Disability Enterprises, or as referred to in the Census, a *consumer in supported employment*.

Data sourced from 2009:

- organisation structure;
- employment status of employees;
- characteristics of employees; and
- types of disability in the sector.

Data sourced from 2007:

- organisation structure;
- employment status of employees;
- characteristics of employees;
- types of disability in the sector; and
- wages.

Disability Enterprises

Key findings

As of March 2009, there were a total of 18,622 employees employed in the Disability Enterprises sector.

The study found that there has been a gradual increase in the number of employees engaged in the Disability Enterprises sector over the last five years. The 2009 data indicated that a total of 18,622 employees were in the sector – an increase of 109 employees (0.6 per cent) from the 2007 Census (18,513 employees on Census Day).⁴⁶

⁴⁵ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 2.

⁴⁶ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 61.

This trend was noted in the 2007 Census, which reported that the number of employees in the sector had increased from the 2005–06 Census figures by 952 employees (5.4 per cent).

Overall, the study found a decrease in the number of Disability Enterprise outlets in the sector in 2009. The 2009 data reported 208 Disability Enterprise organisations operating in the sector with 357 outlets. The number of outlets was smaller than the 2007 Census which reported 415 supported employment service outlets in operation at that time (Disability Enterprise outlets).⁴⁷

The 2009 data found that Disability Enterprise outlets were largely concentrated in major cities and inner regional areas. The 2007 Census data also reflected this trend showing that the vast majority of outlets were concentrated in major cities and inner regional areas.

The study found there had been minimal changes in the key demographic indicators from 2007 to 2009. For example, the 2009 data confirmed that the average age of an employee in Disability Enterprises had remained at 39 years, consistent with the 2007 data.

Further, as in 2007, the 2009 data showed that the Disability Enterprises sector had a higher representation of male employees than female employees (11,952 males to 6670 females). The 2009 data (as with the 2007 Census) also demonstrated that intellectual disability is the most common disability associated with employees in the Disability Enterprises sector.

The dominant employment status (full-time/part-time etc) of a significant majority of employees in the Disability Enterprise sector had also not changed. The 2007 and 2009 data indicated that the majority of employees, irrespective of the size of the organisation in which they were employed, were employed on a part-time basis. The 2009 data highlighted the vast majority of organisations did not have any full-time employees and that there had been a decline in the number of full-time employees of 3061 full-time employees⁴⁸ from the 2007 Census figures.

Similar to the findings related to the dominant locations of Disability Enterprise outlets, the 2009 data found that the majority of employees (11,728) were working in Disability Enterprises in major cities. Although the 2007 Census did not contain this information, it did report on the employee's location of usual residence. The 2007 Census reported major cities as the home to the largest percentage of employees in the Disability Enterprises sector in 2006–07, accounting for 14,733 of the 21,993 employees (67.0 per cent).⁴⁹

The 2009 data was unable to provide information on wages in the sector and limited information on what WATs were used at each Disability Enterprise (though data obtained from FaHCSIA through CRS Australia in February 2009 was able to indicate that 10,718 workers were assessed using the BSWAT as at February 2009). However, the 2007 data was able to provide some indicative statistics on WAT use in the sector as well as gross wages, with the Census finding that the majority of employees in the Disability Enterprise sector earned a gross wage of \$100 or less each working week.

⁴⁷ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 8.

⁴⁸ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 76.

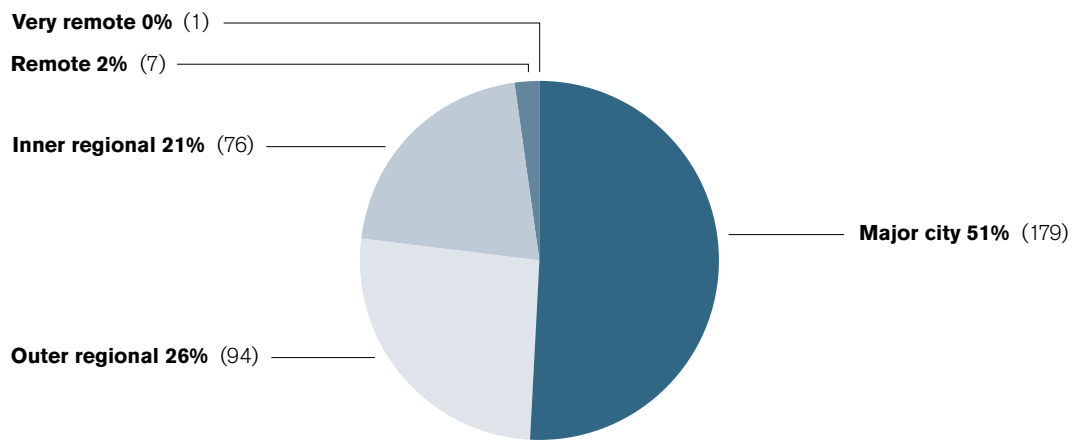
⁴⁹ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 64.

Organisation structure

The 2009 data reported 208 Disability Enterprise organisations operating in the sector, with 357 outlets being operated by these organisations.

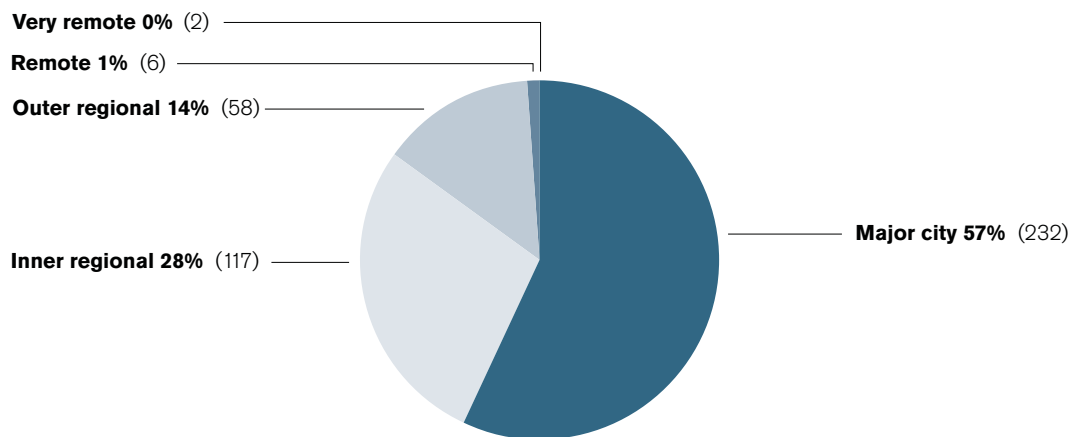
The study found that although there was a decrease in the number of outlets from 415 outlets in 2007 to 357 outlets in 2009, a large proportion of Disability Enterprise outlets were still located in major cities and regional areas with a small percentage of enterprises being located in remote areas. The 2009 data did show a growth in the number of outlets in outer regional areas from the 2007 data.

Figure 1: Distribution of Disability Enterprise outlets according to region – 2009



Source: FaCHSIA Online Funding Management System data, March 2009.

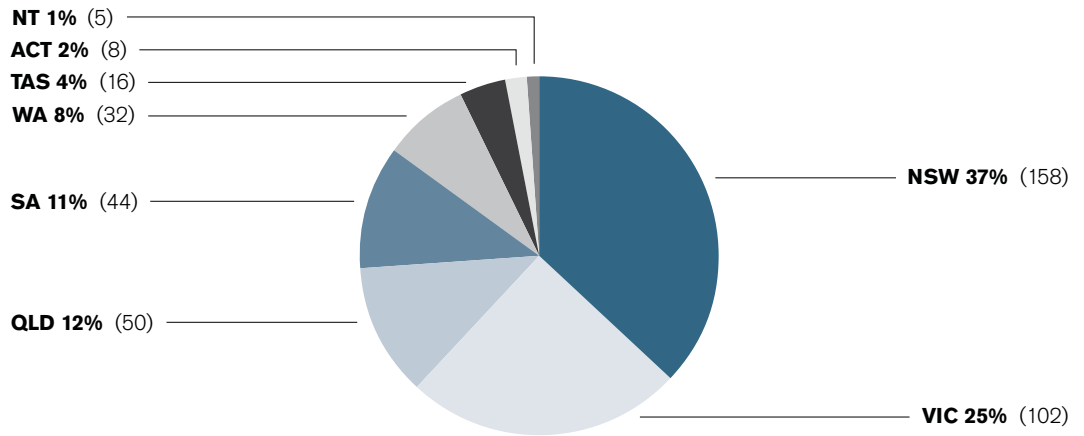
Figure 2: Distribution of Disability Enterprise outlets according to region – 2007



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 21.

The 2007 Census was also able to provide information on geographic distribution and found that a large proportion of outlets were located in New South Wales and Victoria.

Figure 3: Distribution of Disability Enterprises according to state/territory



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 20.

Organisation size and outlets

Disability Enterprises can be classified into three types of organisation size:

- small organisations (fewer than 20 employees);
- medium organisations (between 20 and 199 employees); and
- large organisations (200 employees or more).

The 2009 data⁵⁰ indicated that the majority of Disability Enterprise organisations are medium size. The data also demonstrated that large organisations are predominantly based in major city locations with no large organisations based in remote or very remote locations.

Table 1: Number of employees, organisations, outlets and locations according to organisation size

	Small	Medium	Large	Total
Number of employees	521	9,436	8,665	18,622
Number of organisations	41	147	20	208
Number of outlets	42	211	104	357
Major city location	11	72	17	100
Inner regional location	19	47	NIL	66
Outer regional location	7	26	3	36
Remote location	3	2	NIL	5
Very remote location	1	NIL	NIL	1

Source: FaCHSIA Online Funding Management System data, March 2009.

Employment status of employees

The 2009 data found there were 18,622 employees in the Disability Enterprises sector, an increase of 109 employees from 2007. Of the 18,513 employees accounted for in the

⁵⁰ Overall, the 2007 Census did not yield information about specific organisation structures of Disability Enterprises. For example, the 2007 Census data did not indicate the number of employees per organisation, the number of organisations and the number of outlets per organisation. This data was available from the 2009 data.

Disability Enterprises sector in 2007, 17,827 were classified as a 'worker' or 'independent worker'.⁵¹

The employment status of these employees was broken down into the following types of engagement by the 2007 FaHCSIA data (though it is unclear if these definitions were applied to the 2009 data):⁵²

- *Full-time employment* – employees who ordinarily work 35 hours or more per week;
- *Part-time employment* – employees who work less than 35 hours per week;
- *Casual employment* – employees who are not ordinarily entitled to paid holiday or sick leave but will generally receive a higher hourly rate or loading;
- *Permanent employment* – employees who are employed on a continuing basis and entitled to paid holiday leave, sick leave and long service leave; and
- *Unclassified* – employees do not fit within any of the above four work arrangements.

The information extracted from both the 2007 Census and the 2009 data (Table 2) indicated that the majority of employees in the sector were employed on a permanent basis. Part-time work was also the most common employment arrangement. It should be noted that the employment categories are not mutually exclusive. For example, an employee could be employed on a casual full-time basis or a casual part-time basis.

Table 2: Employment status of employees in Disability Enterprises

Employment Status	2007	2009
Full-time	5,562	2,501
Part-time	11,450	14,614
Casual	716	662
Permanent	17,728	16,821
Unclassified	7	1,139

Source: FaHCSIA Online Funding Management System data, March 2009 and Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 76.

However, there were notable differences in the number employees in various classifications, including:

- a substantial increase in part-time employees in the Disability Enterprises sector between 2007 and 2009;
- a significant decrease of full-time employees in the Disability Enterprises sector between 2007 and 2009;
- fewer casual employees in the Disability Enterprises sector between 2007 and 2009; and
- a noticeable increase in unclassified employees in the Disability Enterprises sector between 2007 and 2009 (though this may be attributable to the difference in reporting between the 2007 census and the 2009 FaHCSIA data).

⁵¹ The other categories included: 'work experience', 'job seeker', 'other' and 'not stated' Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 74.

⁵² These definitions were used by FaHCSIA for the purpose of breaking down employment types in its 2007 Census and may not reflect the correct legal interpretation of these classifications or the legal employment status of the employees surveyed. Further, the 2009 data reflects a Disability Enterprise's interpretation of the employment status of employees and may not reflect an employee's true employment status according to their relevant industrial arrangements.

Employment status of employees according to organisation size

The 2009 data was able to provide an indication of employment status according to organisation size.

Table 3: Employment status according to organisation size

Employment Status	Small		Medium		Large	
	Number	Proportion of employees in small organisations employed by status	Number	Proportion of employees in medium organisations employed by status	Number	Proportion of employees in large organisations employed by status
Full-time	21	4.0%	671	7.1%	1,809	20.9%
Part-time	440	84.5%	7,546	80.0%	6,628	76.5%
Unclassified	60	11.5%	1,219	12.9%	228	2.6%
TOTAL	521	100.0%	9,436	100.0%	8,665	100.0%
Casual	30	5.8%	561	5.9%	71	0.8%
Permanent	474	91.0%	8,501	90.1%	7,846	90.5%
Unclassified	17	3.3%	374	4.0%	748	8.6%
TOTAL	521	100.0%	9,436	100.0%	8,665	100.0%

Source: FaCHSIA Online Funding Management System data, March 2009.

This data found that:

- the majority of employees in the Disability Enterprises sector were employed on a part-time basis irrespective of the size of the organisation;
- large organisations were more likely than medium to small organisations to employ full-time employees (20.9 per cent of employees employed by large organisations being full-time employees);
- small to medium organisations were more likely than large organisations to employ casual staff; and
- of the 208 organisations, 149 (72 per cent) of organisations had no full-time employees at all.

The 2009 data also found that, as well as large organisations employing the majority of employees in the Disability Enterprise sector, five employers dominated employment in the sector, employing around 22 per cent of the total Disability Enterprise workforce. The 'top five' employers are:

1. Endeavour Foundation (1,344 employees);
2. Activ Foundation (1,012 employees);
3. Bedford Industries Incorporated (694 employees);
4. Wheelchair and Disabled Association of Australia (551 employees); and
5. Cumberland Industries (488 employees).

Of these five Disability Enterprises, the majority were located in major cities nationally, and the majority of employees were employed on a part-time basis. Three of these Disability Enterprises have developed their own WATs, these being:

- Endeavour Foundation;
- Bedford Industries Incorporated; and
- Cumberland Industries.

Characteristics of employees

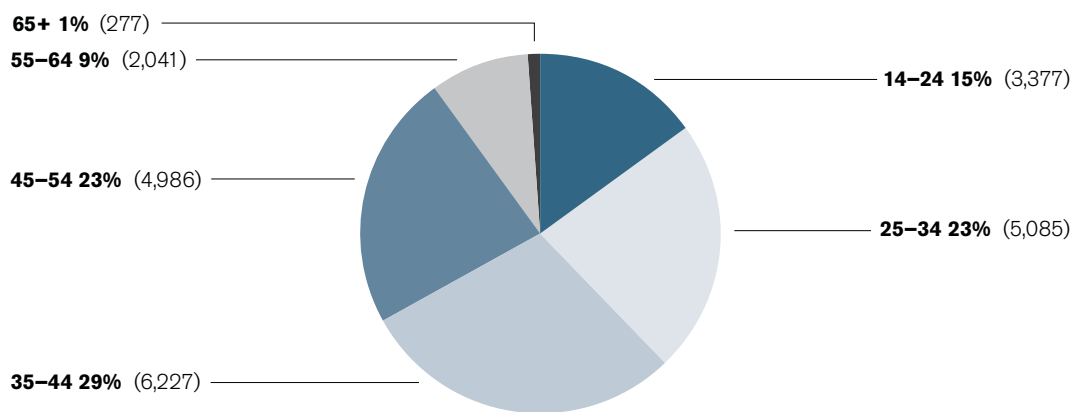
Age

Overall, the 2009 data found that the average age of employees in Disability Enterprises was 39 years. Similarly, the 2007 Census found that the median age of employees in the sector was 39 years.

However, the 2009 and 2007 data on age was not able to be directly contrasted because the 2009 data provided an indication of average age per organisation whereas the 2007 Census provided an indication of age according to individual employees in the sector.

The 2007 Census indicated that the majority of employees were concentrated in the age distribution range of 35 years to 44 years of age.

Figure 4: Average age of Disability Enterprise employees – 2007



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 62.

Table 4: Average age of employees according to organisation size – 2009

	Small	Medium	Large
Average Age	38.6	38.8	39.3

Source: FaCHSIA Online Funding Management System data, March 2009.

The 2009 data (Tables 5, 6 and 7) also indicated that the outliers, that is the organisations with the highest and lowest average age of employees, were from small to medium-sized businesses.

Table 5: Disability Enterprises with highest average age of employees, 2009

Disability Enterprise	Total no. of employees	Size	Average age
Karakan Hostels	18	Small	49.8
Bourke Laundry Service Incorporated	7	Small	49.4
Paraplegic & Quadriplegic Association of NSW	7	Small	49.1
Vision Australia	41	Medium	46.8
Nova Employment and Training Program Inc.	10	Small	46.8

Source: FaCHSIA Online Funding Management System data, March 2009.

In Table 5, there were no clear similarities between these Disability Enterprises, despite physical and intellectual disability being the most common disability present. Bourke Laundry Service Incorporated and Paraplegic & Quadriplegic Association of NSW were two of the more similar Disability Enterprises, with the same number of employees, both classified as small enterprises and both with physical disability as its primary disability.

Table 6: Disability Enterprises with youngest average age employees, 2009

Disability Enterprise	Total no. of employees	Size	Average age
Slice of Life (Aust.) Pty Limited	8	Small	23.1
Multicap	27	Medium	28.8
LEAD	100	Medium	30.3
Wheelchair and Disabled Association (not Australia)	31	Medium	30.5
Intework Inc.	197	Medium	30.5

Source: FaCHSIA Online Funding Management System data, March 2009.

In Table 6, Intellectual disability was the primary disability of all Disability Enterprises, with four of the five Disability Enterprises located in major cities.

Table 7: Disability Enterprises with employees of average age, 2009

Disability Enterprise	Total no. of employees	Size	Average age
SkillsConnection Inc.	13	Small	39.1
Silverlea Employment and Training Service Inc.	30	Medium	39.1
Pathways – Rehabilitation and Support Services	75	Medium	39.1
Glen Industries	28	Medium	39.2
Aware Industries Ltd	95	Medium	39.2

Source: FaCHSIA Online Funding Management System data, March 2009.

Gender

The 2009 data found that gender representation in the Disability Enterprises sector remained largely unchanged from 2007 to 2009. The 2009 data found that male employees largely dominate the sector with 64.2 per cent (11,952) of employees in the Disability Enterprise sector being male with 35.8 per cent (6,670) being female. The 2007 Census data had similar findings with 63.8 per cent being male and 36.2 per cent being female.⁵³

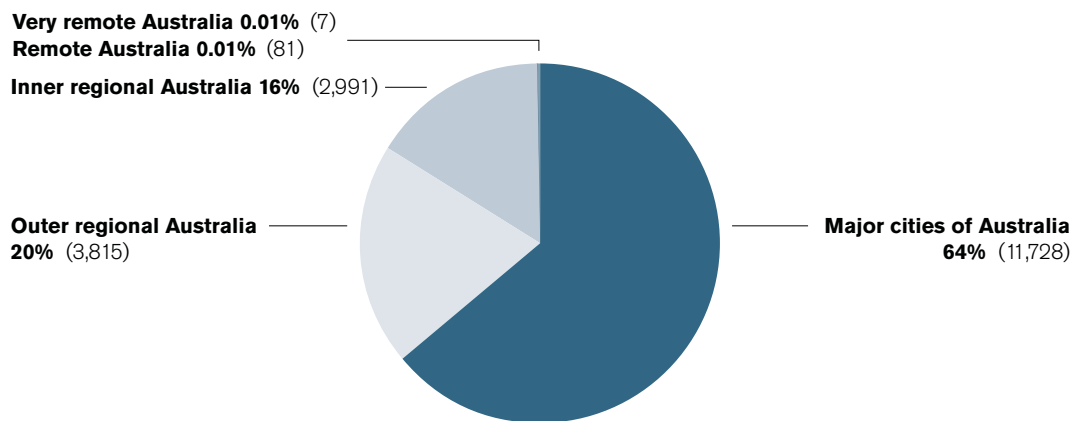
⁵³ This breakdown was based on 'Number Of employees Assisted figures' (21,993) rather than 'on the books' figures (18,513) – Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 61.

Regional location of employees

The 2009 data reported that the majority of employees in the Disability Enterprises sector were employed by outlets and organisations in major cities, followed by regional and remote areas (Figure 5). The 2007 Census could not be directly contrasted with the 2009 data, as it reported the geographic location of an employee's residence rather than the employee's work location.

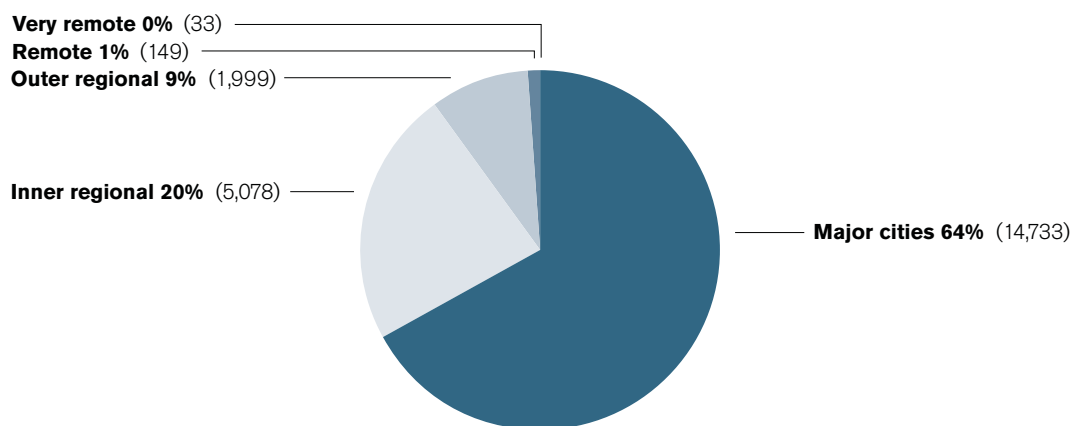
However, the 2007 Census did find that 14,733, of the 21,993 employees reported, resided in major cities (Figure 6). A further 7,077 employees were living in regional areas, with 5,078 and 1,999 employees living in inner regional and outer regional areas respectively. The 2007 Census reported 182 employees were living in remote and very remote areas.⁵⁴

Figure 5: Work locations of employees – 2009



Source: FaCHSIA Online Funding Management System data, March 2009.

Figure 6: Residence of employees – 2007



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 64.

⁵⁴ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 64.

Types of disabilities of employees in the Sector

Nationally

The study found the primary disability profile of employees in 2009 was largely unchanged from 2007 with intellectual disability being the most common disability of employees in the Disability Enterprises sector. The 2009 data indicated that 183 organisations had a majority of employees with an intellectual disability. The 2007 Census indicated 70.1 per cent (15,428)⁵⁵ employees in the Disability Enterprises sector had an intellectual disability.

Table 8: Disability types identified in the sector at 2007

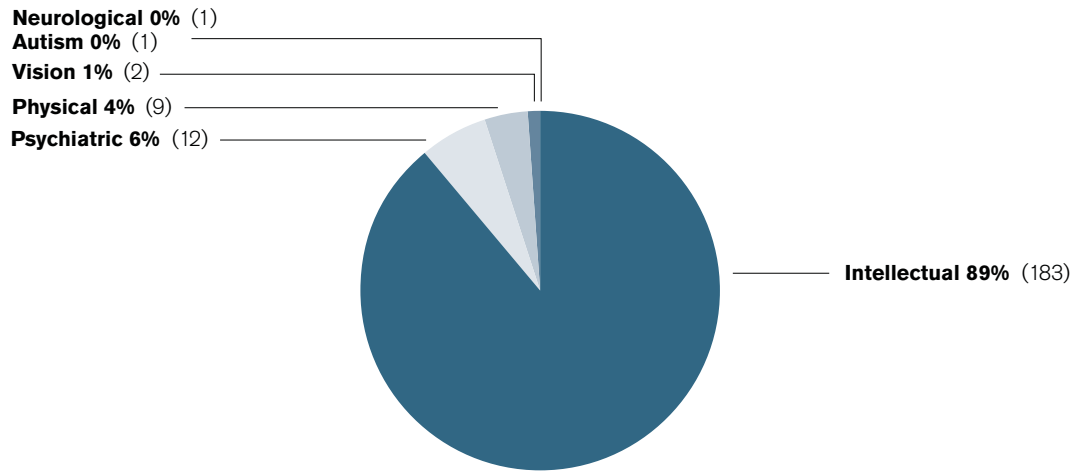
Disability type	Number
Intellectual	15,428
Psychiatric	2,600
Physical	1,443
Acquired brain injury	640
Sensory	560
Autism	541
Neurological	462
Vision	308
Specific learning/ADD	293
Hearing	233
Speech	26
Deaf/blind	19
TOTAL	21,993*

*Note: This total figure is of all employees in the sector from 2006–2007 and not the number of employees on Census day.

Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Census 2007*, p. 66.

⁵⁵ Based on employees assisted by supported employment services nationally.

Figure 7: Primary disability types in Disability Enterprise organisations – 2009



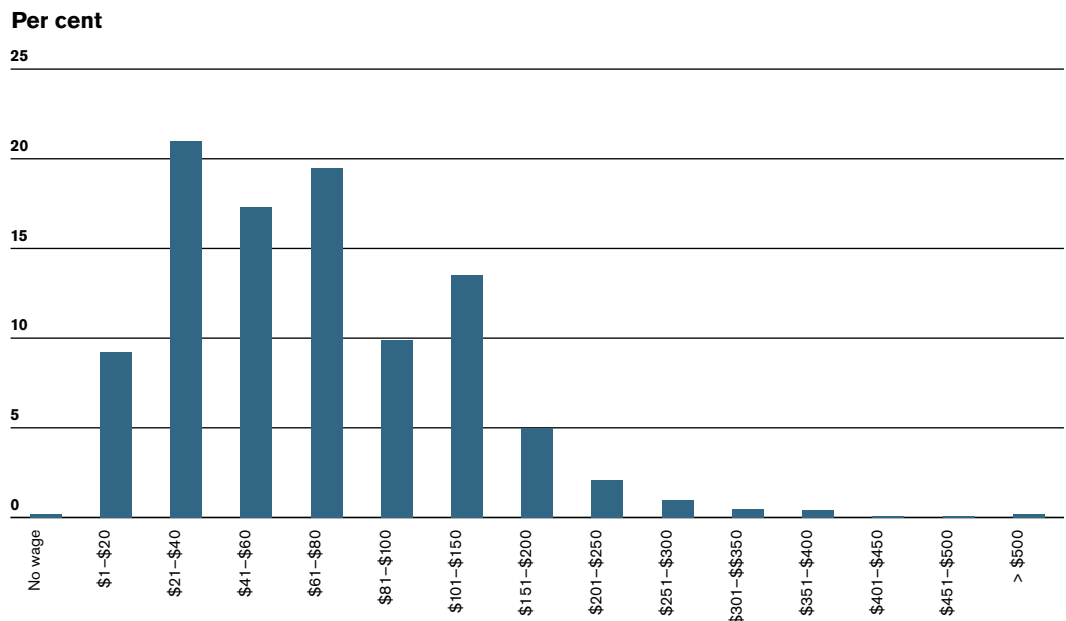
Source: FaCHSIA Online Funding Management System data, March 2009.

Wages

Overall, the study was unable to conduct an analysis on wages in the Disability Enterprises sector in 2009 as this data was not available at the time of going to print.

However, the 2007 Census indicated that the majority of employees in the sector at this time (76.9 per cent) were earning \$100 or less per week.⁵⁶ On Census Day, the median gross weekly earnings of employees in the sector was \$62.50 and the average gross weekly earnings was \$76.40.⁵⁷

Figure 8: Employees in the Disability Enterprises sector by gross weekly wage at 29 June 2007



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 79.

⁵⁶ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 78.

⁵⁷ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 79.

Table 9: Employees in the Disability Enterprises sector by gross weekly wage category, 29 June 2007

Gross Weekly wage category	Supported employment service consumers – no.	Supported employment service consumers – %
No wage	27	0.2%
\$1–\$20	1,639	9.2%
\$21–\$40	3,746	21.0%
\$41–\$60	3,078	17.3%
\$61–\$80	3,482	19.5%
\$81–\$100	1,772	9.9%
\$101–\$150	2,414	13.5%
\$151–\$200	897	5.0%
\$201–\$250	370	2.1%
\$251–\$300	171	1.0%
\$301–\$350	92	0.5%
\$351–\$400	70	0.4%
\$401–\$450	24	0.1%
\$451–\$500	10	0.1%
More than \$500	35	0.2%

Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 79.

The 2007 Census highlighted that the nature of an employee's disability could have an effect on wage outcomes. A significant majority of employees (excluding employees with a vision disability) earned less than \$100 a week. The highest median gross weekly wage was earned by employees with a vision disability (\$103.22), followed by employees with a hearing disability (\$87.00). The lowest median gross weekly wage was earned by employees with autism (\$50.00), deaf-blindness (\$54.57) and an acquired brain injury (\$58.50).⁵⁸

These differences in wage outcomes reflected:

- average productivity capacity; and
- the number of hours worked by supported employees with particular disabilities.

Employees with an intellectual disability had the lowest productive earning capacity, earning a mean average of \$2.68 per hour.⁵⁹

⁵⁸ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 80.

⁵⁹ Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 80.

Table 10: Employees in the Disability Enterprises sector by gross hourly wage rate and primary disability type, 29 June 2007

Primary disability type	Average gross hourly wage rate (\$)
Vision	\$5.15
Hearing	\$3.77
Specific learning/ADD	\$3.74
Physical	\$4.03
Neurological	\$3.23
Psychiatric	\$4.45
Speech	\$3.38
Intellectual	\$2.68
Acquired brain injury	\$3.28
Deaf-blind	\$3.28
Autism	\$2.76
National average	\$3.03

Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 81.

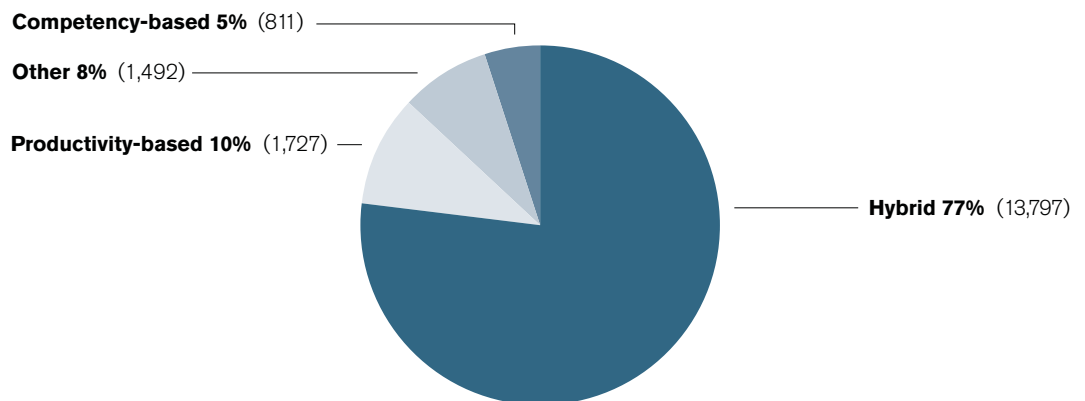
Wage assessment tools

The 2009 data was unable to indicate what WATs were used by organisations in their outlets in 2009 (though some of this information was captured in the Employer Survey – see Chapter 5 – from the surveyed employers). The 2007 Census did however include information on WATs, particularly on the types of WATs being used by employees (a discussion of WATs and their types is included in the Chapter 4 Wage Assessment Tool Audit).

The 2007 Census however did include an analysis of the types of WAT (productivity-based, competency-based, a hybrid of both or other) that were predominantly used in organisations that utilised WATs.

The 2007 Census included a breakdown on the types of WAT (productivity-based, competency-based, a hybrid of both) that were used by employees at 2007.

Figure 9: Percentage of type of wage assessment tool in the 2007 Census



Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 82.

FaHCSIA was able to indicate through data provided by CRS Australia that as at February 2009, 10,718 employees in Disability Enterprises were assessed under the BSWAT.⁶⁰ This demonstrated a marked jump in the use of the tool in the sector with the 2007 Census highlighting that the BSWAT was used to determine 37 per cent (6,590) of WATs in Disability Enterprises at this time. The Greenacres WAT was the second most used tool reported in the 2007 applying to 18.6 per cent (3,323) of employees in Disability Enterprises.

The Wage Assessment Tool Audit (Chapter 4) found that the majority of WATs attached to the Special Business Services Pay Scale were hybrid tools. However, this does not indicate whether there was a higher take up of these hybrid WATs by employers who use the Special Business Services Pay Scale.⁶¹

The 2007 Census reported that 9.7 per cent (1,727) of employees had their wages determined using a productivity-based WAT. The most common of these tools was the SWS WAT. A small percentage (4.5 per cent or 811) of employees had their wages determined using competency-based WATs.

Wage instruments

The 2007 Census was also able to indicate the methods used to pay employees in the Disability Enterprise sector, the main methods being:

- award based;
- ratified enterprise/certified agreement;
- Australian Workplace Agreement;
- the SWS; and
- other.

Table 11: Employees in the Disability Enterprises sector represented by method used to set pay as at 2007

Method used to set pay	Supported employment service consumers – no.	Supported employment service consumers – %
Respondent to an award	5,963	33.4%
Ratified enterprise/certified agreement	5,791	32.5%
Pay set in reference to an award	2,755	15.5%
Supported Wage System	2,054	11.5%
Australian Workplace Agreement	1,173	6.6%
Other	91	0.5%

Source: Department of Families, Housing, Community Services and Indigenous Affairs, *Australian Government Disability Services Census 2007*, p. 81

It was not clear whether the methods used were in reference to rates set by the Special Business Services Pay Scale or the LHMU Pay Scale. The 2009 Employer Survey (see Chapter 5) indicated that 38 per cent of participants reported that their organisation was covered by the Special Business Services Pay Scale. Of these participants, a range of sources for pay rates were utilised including the Special Business Services Pay Scale, the LHMU Pay Scale and other Pay Scales.⁶²

⁶⁰ FaHCSIA, February 2009.

⁶¹ Wage Assessment Tool Audit Analysis, p. 5 and 11.

⁶² Employer Survey Analysis, p. 8. Chapter 5.

Conclusion

While there were consistencies between some of the 2007 Census and 2009 data, there were gaps in the information which could be useful to note for future research. In particular, it would be useful to gain information that is both at an organisation level and at an employee level in order to undertake more detailed analysis.

The lack of information on wages, WATs and wage instruments also made it difficult from a wage-setting perspective, to ascertain the types of arrangements used to set wages at a workplace level. In future it would be useful to obtain data:

- that can be compared and contrasted with Census findings;
- on WAT usage and data that can give an accurate reflection of the WAT's in use at a workplace level; and
- that can give an indication of the range of disabilities of employees in the sector other than the 'primary' disability.

Overall the 2009 data was able to give a key 'snap shot' of the sector which, compared with the 2007 Census data, showed the situation remaining largely unchanged including:

- the higher representation of males in the Disability Enterprises sector nationally;
- the predominance of part-time employment with a number of organisations not employing full-time employees at all; and
- a concentration of employees with intellectual disability being employed in the sector.

4. Wage Assessment Tool Audit

This chapter provides the findings of the Wage Assessment Tool Audit undertaken against 28 wage assessment tools attached to the Special Business Services Pay Scale.

Wage assessment

There are different assessment options in the Disability Enterprises sector including:

- competency-based assessments – these measure an employee's abilities in relation to workplace skills, knowledge and behaviours;
- productivity-based assessments – these measure an employee's output; and
- hybrid models – a combination of both competency and productivity-based assessments.

Government regulation and wage assessment tools

The Australian Government introduced a legislated quality assurance system in 2001 for Disability Enterprises. The Quality Strategy requires an independent third party to determine whether a Disability Enterprise complies with 12 Disability Service Standards as a pre-condition of ongoing government funding. Disability Service Standard 9 relates to working conditions and one of the Key Performance Indicators (KPI 9.1) for this standard requires that where a person is unable to work at full productive capacity due to disability, the service provider is to ensure that a pro rata wage based on an award, order or industrial agreement is paid. The pro rata wage must be determined through a transparent assessment tool or process such as the SWS or tools that comply with the criteria referred to in the Guide such as:⁶³

- compliance with relevant legislation and standards;
- validity – the extent to which the assessment is assessing what it claims to be assessing (i.e. competency or productivity);
- reliability – the extent to which different assessors would achieve the same result when assessing the same person, and the extent to which the same assessor achieves the same result for similar situation (i.e. the transparency of the tool);
- wage outcome – an assessment that is fair and in accordance with assessed scores;
- practical application of the tool;
- administration and cost implications of implementing the tool;⁶⁴ and
- links to training and professional development opportunities.⁶⁵

For a WAT to be included in the Special Business Services Pay Scale, the Commission must ensure that the WAT satisfies the Commission's obligations under the WR Act.

63 Commonwealth of Australia, *Wage Assessment in Business Services: A Guide to Good Practice Wage Determination*, 2001.

64 *A Guide to Good Practice Wage Determination*, p.18.

65 *A Guide to Good Practice Wage Determination*, p. 21.

The Wage Assessment Tool Audits

There are currently 30 WATs approved under the Special Business Services Pay Scale.⁶⁶ Twenty-five of these WATs are for general use by employers in Disability Enterprises.

Permission was sought from WAT owners to use their WAT for the purposes of this research. Twenty-eight WAT owners provided permission to the Commission to access their tools for the purposes of research. This WAT audit analyses 28 WATs attached to the Special Business Services Pay Scale against 29 questions developed by the Secretariat in consultation with the Disability Roundtable.⁶⁷

The WAT audit involved analysis of:

- the actual WATs;
- the WAT analyses undertaken by consultant Jenny Pearson and Associates Pty Ltd from 2005 to 2008;⁶⁸ and
- any additional documentation provided to the Commission by Disability Enterprises as part of their applications to be attached to the Commission's Special Business Services Pay Scale.

These WAT Audits are attached in full at Appendix A.

Key findings

The analysis found a majority of WATs (19 of the 28 audited) were developed by individual Disability Enterprises and were not based on pre-existing WATs already operating in the Disability Enterprises sector. However, some WATs were derived from pre-existing tools – the three most commonly used being the Greenacres WAT, the BSWAT and the SWS WAT.

The most common industries in which the WATs assessed employees in were: gardening, paper manufacturing, timber, assembly, packing, clothing and laundry.

The majority of the WATs were capable of applying to more than one industry. Of the 28 WATs analysed, 21 WATs included work assessed in two different industries (e.g. the Kurri Contracting Service WAT assessed Cleaning and Grounds Maintenance and Waverley Helpmates assessed Gardening, Packaging and Cleaning work).

Only four WATs were designed to be applicable for use in any general industry: the FWS WAT, the BSWAT, the SWS WAT and the SkillsMaster WAT. These general WATs could be adapted for use in any job to determine pro rata rates of pay for Disability Enterprise employees.

The most used industrial instrument used to establish a base rate of pay for WATs was the LHMU Pay Scale, in particular, Grades 1–4.

66 See Special Business Services (Employees with a disability) Australian Pay and Classification Scale, [2007] APCS 2 (Special Business Services Pay Scale). Also note that in Wage-Setting Decision 1/2009, the Australian Fair Pay Commission removed the Paraplegic-Quadriplegic Association of WA (Inc.) wage assessment tool from the Special Business Services Pay Scale, from 1 June 2009. This reduced the number of wage assessment tools attached to the Special Business Services Pay Scale from 31 to 30.

67 The Secretariat undertook the analyses which were then reviewed by independent experts Jenny Pearson and Associates Pty Ltd.

68 – Jenny Pearson & Associates Pty Ltd, *Analysis of Wage Assessment Tools used by Business Services Reports*, The Complete Reports, 16 February 2005 Addendum 7 June 2005, 12 April 2006, 18 October 2007, Waverley Helpmates – 23 April 2008, 24 April 2008;
– Jenny Pearson & Associates Pty Ltd, *Analysis of Wage Assessment Tools used by Business Services*, Final Report (incorporating 22 wage tools), 12 April 2006; and
– Jenny Pearson & Associates Pty Ltd, *Analysis of Wage Assessment Tools used by Business Services*, 18 October 2007.

Over half of the 28 WATs specified a minimum rate of pay as a percentage of the wage structure upon which the WAT was based. For WATs basing their rates on the LHMU Pay Scale, the minimum rates of pay ranged from between 5 per cent of Grade 1 of the LHMU Pay Scale, to 17 per cent of Grade 2 of the LHMU Pay Scale.

Six WATs did not outline or include reference to which Pay Scale(s) applied in their WAT.

Although a majority of the audited WATs did not specify or were otherwise unclear about a trial period for their Disability Enterprise employees, about a third of the WATs specified a trial period of three months or 12 weeks.

The majority of WATs were hybrid tools that assessed employees both on competency and productivity. At the time of its publication, the Guide, which reported on research into innovative wage determination processes in Disability Enterprises, did not identify any systems that were solely competency-based in the Disability Enterprises sector.⁶⁹

Half of the WATs used a point in time method of assessment, and about a third relied upon a combination of point in time and ongoing assessment. Overall, a significant majority of audited WATs used internal assessors to conduct the wage assessment process. Twenty WATs specified that internal assessors had Certificate IV qualifications in Workplace Training and Assessment.

More than half of the WATs incorporated training and supervision into the assessment process. Of these WATs, all continued to provide ongoing training for their employees.

A significant majority of WATs had a clearly defined appeals and dispute resolution process, and a majority indicated that an advocate may represent an employee in the event of an appeals process.

Types of wage assessment tool

Derivative tools

Some WATs based their wage assessment mechanisms on the processes and procedures of earlier approved WATs. In this audit, nine WATs were specifically derived from five earlier approved tools (source WATs). The source WATs most commonly used to derive new variant tools were:

- the Greenacres Association WAT (derivative WATs: Civic Industries, New Horizons and Koomarri);
- the BSWAT (derivative WATs: Elouera and Ability Options); and
- the SWS WAT (derivative WATs: Valmar Support Services and Woorinyan Employment Support Service).

The Woorinyan Employment Support Service was the only organisation to have based its WAT from elements of two different WATs (SWS WAT and the BSWAT).

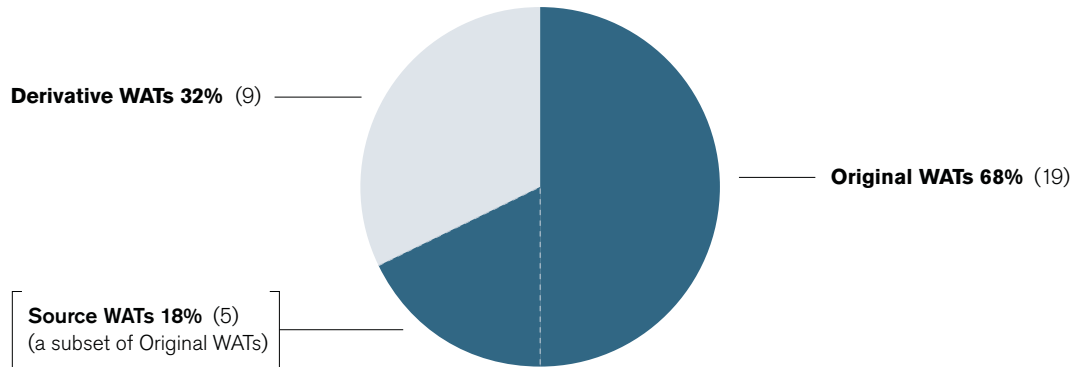
Other source WATs included:

- the Yumaro WAT (from which Kurri Contracting Services derived their WAT), and
- the SkillsMaster WAT (from which Blue Mountains Disability Services based their WAT).

69 A Guide to Good Practice Wage Determination, p. 9.

Figure 10 provides a breakdown of WATs according to whether they were derivative tools (32 per cent) or original tools (68 per cent). The figure also gives a breakdown of the percentage of source tools (which are a subset of Original tools) against the total number of all WATs audited (18 per cent).

Figure 10: Stand alone, source and derivative wage assessment tools



Industries

While some WATs were designed to be applied to one specific industry or occupation, others were applicable for use in any industry, or a number of different industries and occupations.

Seven WATs were designed for use in a specific industry. These industries included gardening (Ability Options and Civic Industries WATs), paper collating (Koomarri WAT), the timber and softwood industry (Valmar Support Services WAT), clothing trades (Yumaro WAT), assembly and packaging (Wangarang Industries WAT) and laundry services (BlueLine Laundry WAT).

Twenty-one WATs could be applied to more than one industry, and covered a number of different occupations and tasks (e.g. the Caloola Vocational Services Inc. WAT applied to Disability Enterprise employees working in both the gardening trade as well as the retail trade).

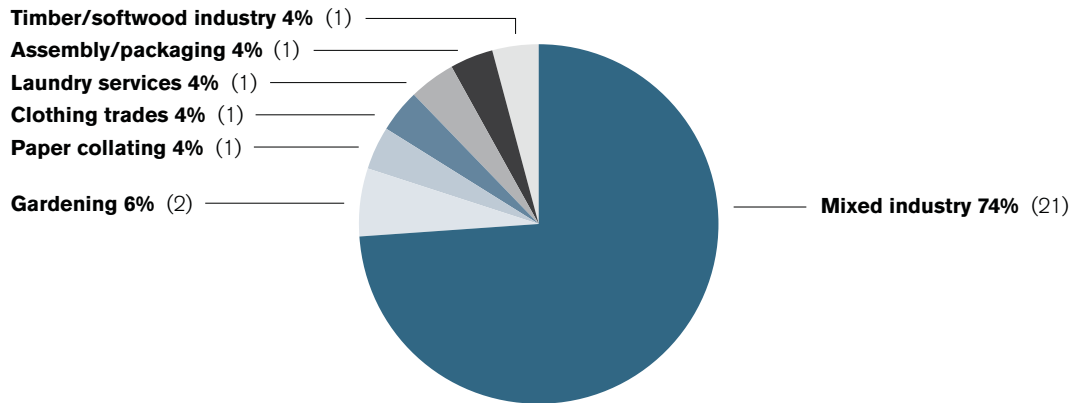
Of these 21 WATs, four WATs were designed to be applicable for use in any general industry: the FWS WAT, the BSWAT, the SWS WAT, and the SkillsMaster WAT.

Table 12 below outlines the industries under which WATs assess tasks undertaken by employees. Figure 11 provides an indication of the main industries by which tasks are assessed in WATs.

Table 12: Wage assessment tools according to occupation/industry

Occupation/industry	Wage assessment tool(s)
All Industries	Business Services FWS SkillsMaster SWS
Gardening, grounds maintenance and landscaping	Ability Options Bedford Industries Blue Mountains Disability Services Civic Industries Caloola Vocational Services Hunter Contracts Kurri Contracting Services Waverley Helpmates Woorinyan Employment Support Service
Paper collating	Koomarri
Timber and softwood	Mai-Wel Group Valmar Support Services
Clothing trades/textiles	Cumberland Industries Yumaro
Assembly	Elouera Association Greenacres Association New Horizon Enterprises Sunnyfield Wangarang Industries
Packaging and packing	Cumberland Industries Elouera Association Endeavour Industries GDP New Horizon Enterprises Phoenix Society Sunnyfield Wangarang Industries Waverley Helpmates
Laundry services	BlueLine Laundry Elouera Association Endeavour Industries
Cleaning	Bedford Industries Hunter Contracts Kurri Contracting Services Waverley Helpmates Woorinyan Employment Support Service
Machinery operation	Bedford Industries Greenacres Association Mai-Wel Group New Horizon Enterprises
Painting	Elouera Association Mai-Wel Group
Metalwork	Blue Mountains Disability Services GDP Phoenix Society
Woodwork	Blue Mountains Disability Services GDP Merriwa Industries Sunnyfield
Clerical	Blue Mountains Disability Services Phoenix Society Sunnyfield
Recycling	Elouera Association GDP
Warehouse/ store work	Endeavour Industries Phoenix Society
Shop assistant/retail	Caloola Vocational Services

Figure 11: Main industries represented



Wage structures

Wage instruments referenced in wage assessment tools

The audit found that a number of WATs referenced classifications and rates of pay from wage instruments other than the LHMU Pay Scale, the Special Business Services Pay Scale, or the preserved Pay Scale derived from the Cooma Challenge Limited Business Services (State) Award. However, the rates of pay set out in these industrial instruments are minimum rates of pay only and do not limit the ability of employers to pay employees above minimum rates of pay.

The analysis of the 28 WATS found 11 specifically referenced the LHMU Pay Scale as the wage from which they calculated their pro rata wages. Five organisations based their wages on Grade 1 of the LHMU Pay Scale, two organisations on Grade 2, two on Grades 1 and 2, one on Grades 1 to 4, and three did not specify upon which grades of the LHMU Pay Scale they based their wage assessments.

The eight WATs approved by Wage-Setting Decision 1/2008⁷⁰ draw their rates of pay and classification from the Special Business Services Pay Scale unless otherwise specified.

Other WATs cited a different industrial instrument as their benchmark classifications and wages.⁷¹

⁷⁰ In Wage-Setting Decision 1/2009, the Australian Fair Pay Commission removed the Paraplegic-Quadriplegic Association of WA (Inc.) wage assessment tool from the Special Business Services Pay Scale, from 1 June 2009. This reduced the number of wage assessment tool's attached to the Special Business Services Pay Scale from 31 to 30.

⁷¹ One instrument refers to the base rate of pay to be the 'Casual Adult Minimum Wage' but did not specify where this was derived.

Table 13: Instruments used to benchmark wages

Pay Scale derived from:
Clerks (State) Award (South Australia)
Clothing Trades (State) Award
Disability Services (State) Award (South Australia)
Furniture and Furnishings (State) Award (NSW)
Furnishing Industry National Award
General Store Workers, Packers, Wholesale Sellers and Distributors (State) Award (South Australia)
Graphic Arts (General) Award 2000
Laundry and Dry Cleaning (State) Award (Tas)
Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005
Metal Industry (State) Award (South Australia)
Miscellaneous Gardeners &c. (State) Award (NSW)
Nurseries Employees (State) Award (NSW)
Shop Employees (State) Award (NSW)
Timber and Allied Industries Award 1999
Warehouse Employees General (State) Award (NSW)
Warehouse Employees Drug (State) Award (NSW)

Note: Full citation in some cases has not been referenced above as it was not specified in the wage assessment tool and additional information had not been provided.

Four WATs used more than one Pay Scale to reference their classifications and pro rata wages reflecting the different industry tasks required of employees: Cumberland Industries, Phoenix Society, Hunter Contracts and Caloola Vocational Services.

One tool (Cumberland Industries) based its wage structure on three Pay Scales. The Pay Scales were derived from the following awards: Furniture and Furnishings (State) Award (NSW), the Warehouse Employees General (State) Award (NSW), and the Warehouse Employees Drug (State) Award (NSW).

Another tool (Phoenix Society) based its wage structure on five Pay Scales. The Pay Scales were derived from the following awards:

- Furnishing Industry National Award;
- Metal Industry (State) Award (South Australia);
- Clerks (State) Award (South Australia);
- Disability Services (State) Award (South Australia); and
- General Store Workers (State) Award (South Australia).

Six WATs did not specify the Pay Scales from which WATs drew their classification and wages.

Minimum rates of pay

A total of 20 tools included minimum rates of pay that employees must be paid regardless of their productive or assessed capacity.⁷² Sixteen WATs had minimum rates of pay that

⁷² These minimum rates of pay could also include training or probationary rates of pay.

were set as a percentage of the wage structure upon which the wage assessment was based. These minimum percentages ranged between 5 per cent to 21.67 per cent of the applicable Pay Scale rate of pay used by the WAT.

Four tools specified flat minimum rates of pay for periods when employees were undertaking training. Amounts ranged from \$1.15 per hour to \$4 per hour, and \$50 for a 38 hour week to \$69 a week.

Maximum rates of pay

The majority of the WATs (24) did not specify a maximum rate of pay for employees (i.e. the full Pay Scale rate of pay could be paid to employees). Four tools specified maximum rates of pay, each based upon a percentage of a classification derived from a different wage instrument.

The Blue Mountains WAT states the maximum level of the LHMU Pay Scale which can be achieved under this wage structure is 45 per cent at the Advanced Band of Skills Level 7.⁷³ Where an employee is able to demonstrate skill and competency to progress beyond Level 7, they are assessed under the SWS.

The Yumaro WAT specified 40 per cent of Skill Levels 1 to 4 of the Pay Scale derived from the Clothing Trades (State) Award. For example, when an employee is assessed at 40 per cent of level 1 they are progressed to level 2. In practice the majority of employees are currently assessed at level 2. Also, once an employee is assessed at 40 per cent of level 4 they are considered skilled and experienced for SWS and/or open employment.⁷⁴

The Cumberland Industries WAT specifies a maximum of 90 per cent of the applicable Pay Scale. However, Cumberland Industries have advised that they do not apply a cap and the full 100 per cent is available to employees.⁷⁵

The Valmar Support Services WAT specifies 30 per cent of Grade 2 or 45 per cent of Grade 3 of the Pay Scale derived from the Timber and Allied Industries Award 1999. Once an employee exceeds an assessment of 45 per cent of Grade 3 they are assessed under the SWS.⁷⁶

Assessment processes

Trial period

The LHMU Pay Scale and the Special Business Services Pay Scale provide for assessments in the following terms:

Grading

4.2 Upon appointment the employee's employer will grade the employee in one of the grades set out in Schedule 5 [grade 1 to 7 are specified], having regard to the employee's skills experience and qualifications.⁷⁷

73 An employee who is responsible for the work of other employees. Such an employee will hold a trades certificate or equivalent qualification experience and skill level, and have completed formal training in personnel supervision. Employees graded at this level may be expected to: organise, motivate and control subordinate staff; understand and apply quality control techniques; exercise good interpersonal and communication skills; and be capable of operating all equipment used by subordinates.

74 Telephone discussion with Yumaro on 21 May 2009.

75 Telephone discussion with Cumberland Industries on 22 May 2009.

76 Telephone discussion with Valmar Support Services on 21 May 2009.

77 AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, October 2006, p. 33. Also see AFPC, *Wage-Setting Decision 8/2007*, clause 6.1, p. 5.

Assessment of capacity

4.3 Subject to clause 4.5, the employee will be paid the percentage of the applicable hourly rate for the employee's grade based on the assessment of the employees capacity using a wage assessment tool chosen by the employer.⁷⁸

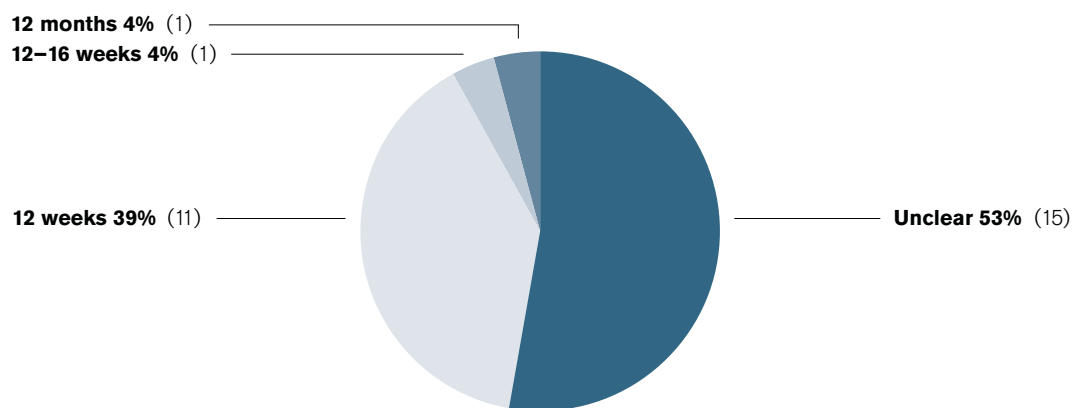
Some WATs contain a trial period before an employee is assessed to ascertain the employee's level of skill and productivity. WATs can specify the rate of pay to apply during trial periods prior to determining a rate of pay in accordance with Clause 4.3.

The WATs audited did not specify how wages are set during this trial period. Where a WAT specifies a minimum hourly or weekly payment this is likely to equate to the wage applied during the training period.

Twelve WATs had specific trial periods for their employees, ranging from 12 weeks to 12 months. Fifteen audited WATs did not specify or were otherwise unclear about a trial period for their Disability Enterprise employees.

Eleven WATs specifically stipulated a trial period of 12 weeks; with one of these specifying an extension of up to 16 weeks.⁷⁹ One WAT, the Greenacres WAT, indicated a trial period of 12 months. During this period, the minimum wage level applicable to employees is the Training and Support Wage Level, Entry Band, which is 10 per cent of Grade 1 of the LHMU Pay Scale.

Figure 12: Trial period



Back pay provisions

Four WATs provided for a back payment to be paid to an employee if, after an initial or first wage assessment being conducted, the capacity of an employee is higher than the amount paid during the probationary or training period:

- BlueLine Laundry;
- FWS;
- Waverley Helpmates; and
- Yumaro.

⁷⁸ AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, October 2006, p. 33.

⁷⁹ The Supported Wage System provides that there may be a 12-week trial period and this may be extended to 16 weeks. The LHMU Pay Scale and the Special Business Services Pay Scale are silent on the duration of trial periods.

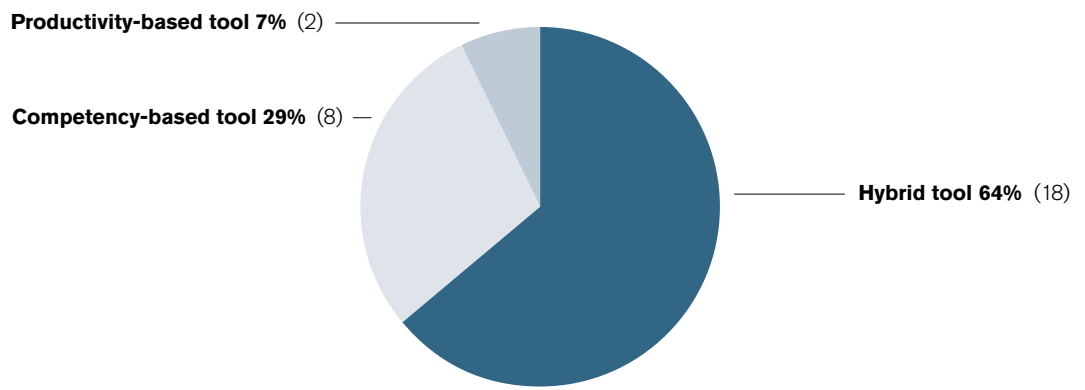
Methods of assessment

A WAT may assess an employee on their level of competency in a task or job, their productivity (often measured by output, or the ability to complete a task within a certain set time) or a hybrid of both competency and productivity methods of assessment.

Two WATs had completely productivity-based assessments (SWS WAT and Merriwa Industries WAT), while eight WATs had entirely competency-based assessments.

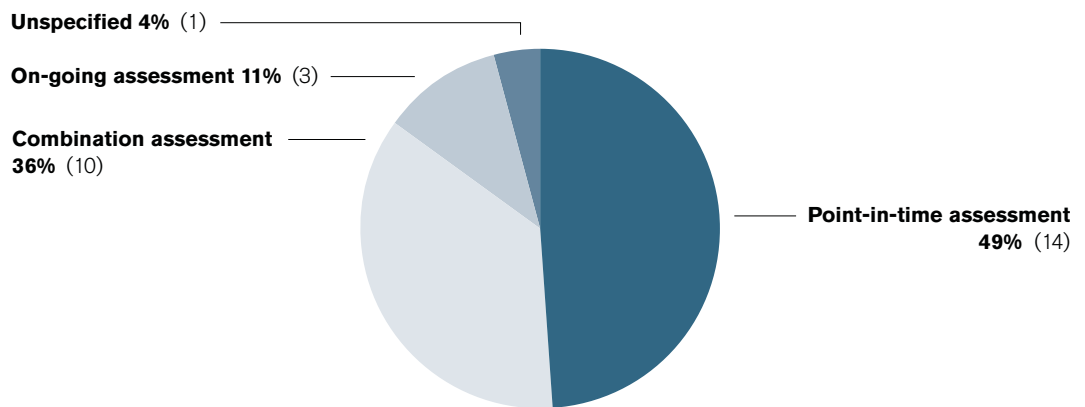
Eighteen WATs were hybrid tools that assessed employees both on competency and productivity.

Figure 13: Methods of assessment



Assessment

Figure 14: Wage assessment procedures



Half of the WATs used a point in time method of assessment (i.e. the entire wage assessment process was conducted on a certain day after a set interval of time; e.g. annually or monthly). Three WATs relied upon an ongoing method of wage assessment (e.g. evidence or data collected over a period of time), and 10 WATs relied upon a combination of point in time and ongoing assessment.

Of the three tools that relied solely upon an ongoing method of assessment, Endeavour assessed its Disability Enterprise employees upon a three-month period, while Valmar assessed employees monthly and Woorinyan assessed employees daily. An Endeavour employee may progress to a different wage level by achieving and maintaining a different competency and skill standard for three months. Valmar provided wage increases

to employees on an annual basis after the assessor reviewed all of the employee's assessment documentation. The Woorinyan WAT does not specify when wage rates will change as a result of assessment, but provides that productivity rates must be reviewed a minimum of once every 12 months.

For WATs that did not provide a review of assessment, the Special Business Services Pay Scale provides default provisions for when such assessment must be completed:

6.5 Review of assessment

Unless otherwise provided for in the wage assessment tool, a wage assessment of an employee will be reviewed within a period not exceeding 3 years service with the employer.

Unless otherwise provide for in the wage assessment tool, a wage assessment may be reviewed at the initiative of either the employee or the employer, once every six months and not more than 4 times every 3 years.⁸⁰

Mathematical formula

Of the 28 WATs, 11 WATs use a wage calculation formula that *adds* productivity and competency scores/percentages to produce a total percentage score that translates to a wage grade or equates directly to the percentage of Pay Scale rate to be paid. There is variation in the weightings applied to the productivity and competency components of the total scores. Three of these WATs also include other score components such as level of supervision, behaviour management, task rating or standard of task score. The 11 WATs are:

- Ability Options WAT;
- BlueLine Laundry WAT;
- BSWAT;
- Civic Industries WAT;
- Cumberland Industries WAT;
- Elouera WAT;
- Endeavour Industries WAT;
- GDP Industries WAT;
- Merriwa Industries WAT;
- Wangarang Industries WAT; and
- Waverley Helpmates WAT.

Two WATs *multiply* score components, including productivity and competency scores to calculate the percentage of Pay Scale rate to be paid. These WATs are:

- Bedford Industries WAT; and
- FWS WAT.

Six WATs have no mathematical formula but specify the competencies/task skills required for progression to each wage level. These WATs are:

⁸⁰ AFPC, *Wage-Setting Decision and Reasons for Decision*, Commonwealth of Australia, October 2006, p. 34.

- Blue Mountains WAT;
- Greenacres WAT;
- New Horizons WAT;
- Sunnyfield Association WAT;
- Valmar Support Services WAT; and
- Yumaro WAT.

Five WATs use a 0 to 6 point rating scale that incorporates competency, productivity and supervision to calculate a total score and then percentage of Pay Scale rate. These tools are:

- Caloola Vocational Services WAT;
- Kurri Contracting Services WAT;
- Mai-Wel Industries WAT;
- Phoenix Society WAT; and
- SkillsMaster System.

Two WATs use productivity assessment as the basis for wage calculation:

- SWS; and
- Woorinyan Employment Support Service WAT.

The remaining two WATs use other methods:

- Hunter Contracts WAT multiplies the Pay Scale rate by support needs percentage and by competency percentage to calculate the wage rate to be paid; and
- Koomarri WAT calculates a Job Description Assessment Score by adding the number of jobs in which the employee is competent and uses a similar method to calculate a Competency Assessment Score. Each of these scores translate to a wage grade and the lower of the two wage grades is paid.

Anti-regression policy

A Disability Enterprise employee may find, over the course of employment, that their disability may regress, leading to a reduction of their working capacity or productivity. The Special Business Services Pay Scale provides a clause to deal with regression:

6.3 Regression of disability

A wage assessment that determines a lower percentage than an earlier wage assessment of the employee against the same duties is of no effect unless the reduction in percentage is solely due to the regression of the employee's disability.

Where regression of wages is provided for in the wage assessment tool against which the employee was assessed, regression may only occur in accordance with the method provided for in that tool.⁸¹

⁸¹ Note: This special Pay Scale does not authorise an employer to reduce the wages to which an existing employee is entitled under their contract of employment: Australian Fair Pay Commission, *Special Business Services (Employees with a disability) Australian Pay and Classification Scale, [2007] APCS 2.*

Some WATs provide that an employee will not have their wages decreased due to a regression in their disability (anti-regression policy). The analysis found six WATs to have such anti-regression policies:

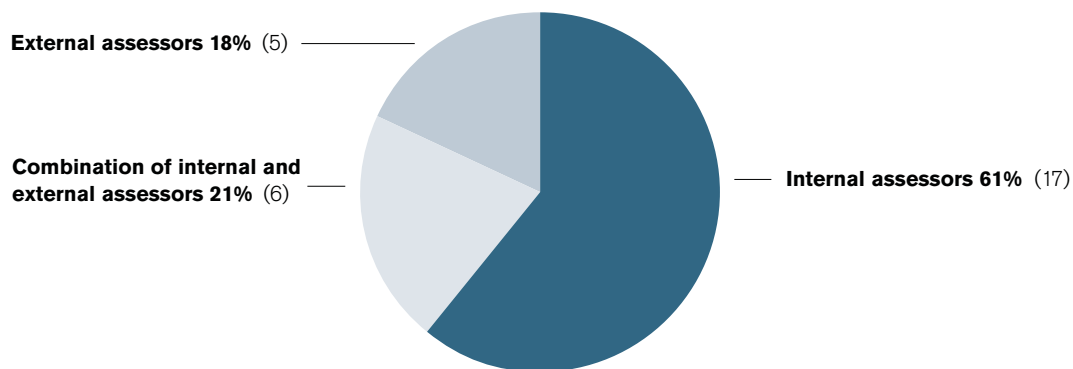
- Bedford Industries;
- BlueLine Laundry;
- GDP Industries;
- Valmar Support Services;
- Wangarang Industries; and
- Yumaro.

Assessors

Wage assessments can be conducted by assessors either within the Disability Enterprise, external third-party assessors, or a combination of both. The Guide suggests that validity and reliability of a WAT is enhanced by using independent and objective assessors with appropriate skills and qualifications.⁸²

Sixteen WATs solely used internal assessors to conduct their wage assessment procedures, while five used solely external assessors. Six WATs used both internal and external assessors.

Figure 15: Breakdown of types of assessors used in wage assessment tools



Of the 28 WATs, 20 WATs outlined that they used assessors with Certificate IV qualification in Workplace Training and Assessment.

Training and supervision

The Guide considers training as a mechanism by which employees may address deficiencies in their productivity and competency level, and the completion of appropriate training often may result in the employee moving on to new tasks and increased levels of pay. Accordingly, the Guide recommends – in the context of a WAT acting as a professional development tool rather than just a wage determination process – that the assessment should have strong links with training and skills development.⁸³

Sixteen WATs indicated that training and supervision were incorporated into the assessment process. The training and supervision aspect in nine WATs had a dual purpose,

⁸² A Guide to Good Practice Wage Determination, p. 17.

⁸³ A Guide to Good Practice Wage Determination, p. 18.

where assessment of an employee's training and supervision needs was also used to complete their personal performance and/or development plan:

- Ability Options;
- Caloola Vocational Support Services;
- Endeavour Industries;
- GDP Industries;
- Koomarri;
- Merriwa Industries;
- Valmar Support Services;
- Woorinyan Employment Support Service; and
- Yumaro.

Dispute resolution and appeals process

Of the 28 WATs, 24 WATs had a clearly defined appeals and dispute resolution process, and 19 WATs indicated that an advocate may represent an employee in the event of an appeals process.

Conclusion

The analysis found that the audited WATs were varied and diverse in many aspects, including methods of assessment, minimum and maximum rates of pay, wage instruments used to benchmark rates of pay and trial periods. This may reflect that most WATs in this audit were developed by individual Disability Enterprises to accommodate the work processes in the organisation.

The audit found that the majority of tools were hybrid tools, and operated to apply to more than one industry. A majority of the tools also had clearly defined dispute resolution processes, used qualified workplace assessors, and indicated that advocates could aid employees in the event of a wage assessment dispute.

Nonetheless, there were gaps in information in the audits, which included:

- whether trial periods were used and any payment methods if a trial period is used;
- the precise industrial instruments used as base rates of pay (some cited since superseded instruments or instruments not able to be determined by the auditors);
- whether back pay is available if a wage assessment determines a higher assessment rating after probationary or training period; and
- the amount of time between the wage review and the corresponding pay increase.

WATs varied in the amount of detail they specified. Organisations may supplement the WAT with policies within their specific organisation.

5. Employer Survey

This chapter presents the findings of the survey of Australian Disability Enterprises undertaken by the Australian Fair Pay Commission Secretariat in April 2009 through to May 2009.

Research context and objectives

The employer survey investigates the practical application of WATs in the Disability Enterprises sector as well as providing further information regarding the wage instruments, classifications and base rates of pay used by employers and sources of information on changes in minimum wages. For this reason, it was necessary to ask employers directly about their current sources for rates of pay.

The research also sought employers' views about wage-setting in their organisations and experiences over a period that has seen significant change to funding and wage-setting regulation.

Research design

Development of the survey instrument

The survey instrument was designed by the Secretariat in consultation with the Disability Roundtable.

Survey questions were developed around the following themes:

- use of WATs;
- development of WATs;
- sources of wage rates;
- conducting assessments under WATs;
- information sources for industrial relations – minimum wages and adjustments to these rates; and
- employers' views on wage-setting arrangements in the sector.

Any relevant up-to-date information that could be obtained through existing sources was not surveyed, to minimise the burden on respondents. Demographic data was sourced through FaHCSIA and matched to survey data prior to analysis.

As part of the process to finalise survey questions, the Secretariat conducted cognitive testing of the survey instrument and supporting material with three Disability Enterprises across regional and metropolitan Victoria.

A copy of the survey instrument is included at Appendix B.

Sampling

The total population size of the sector at the time of the analysis is small (208). The Secretariat employed a data collection methodology aimed at achieving the highest possible response rate as described in the following section 'Fieldwork'. With the assistance of FaHCSIA, the Secretariat developed a sampling frame of Disability Enterprises. The total sampling frame consisted of 203 organisations. Of the organisations invited to participate, responses from 144 (71 per cent) of the organisations are included in the findings presented in this report.

Table 14 displays the composition of the sample, including the organisations surveyed, and the responding organisations included in this report. A number of key demographic variables are presented.

Table 14: Characteristics of Disability Enterprises: survey respondents

Primary disability	Surveyed (% of population)	Respondents (% of respondents)
Intellectual	87%	90%
Physical	4%	3%
Psychiatric	6%	5%
Visual	n = 2	n = 2
Neurological	n = 1	n = 0
Autism	n = 1	n = 0
Number of employees		
Micro (less than 5)	1%	n = 1
Small (5–19)	19%	17%
Medium (20–99)	56%	56%
Large (100+)	24%	26%
Location		
Major cities	47%	45%
Inner regional	32%	34%
Outer regional	17%	19%
Remote	3%	2%
Number of outlets		
One outlet	74%	71%
Multiple outlets	26%	29%
Employment arrangements		
Supported staff: permanent	98%	98%
Supported staff: casual	25%	26%
Supported staff: full-time	28%	32%
Supported staff: part-time	100%	100%

Source: Department of Families, Housing, Community Services and Indigenous Affairs.

Note: Employment arrangements not mutually exclusive.

Note: Location does not add to 100 per cent due to rounding.

Fieldwork

A pilot test of the online survey instrument was carried out prior to the launch of the survey. A link to the online survey was sent to four Disability Enterprises that had agreed to be involved in testing.

Reminder emails and follow-up telephone calls took place between 28 April and 15 May 2009. For the purposes of this report, the final data set was retrieved on 15 May 2009. The survey remained in field until 26 May 2009 to allow all organisations who had indicated a willingness to participate in the survey the opportunity to complete the survey.

Analysis

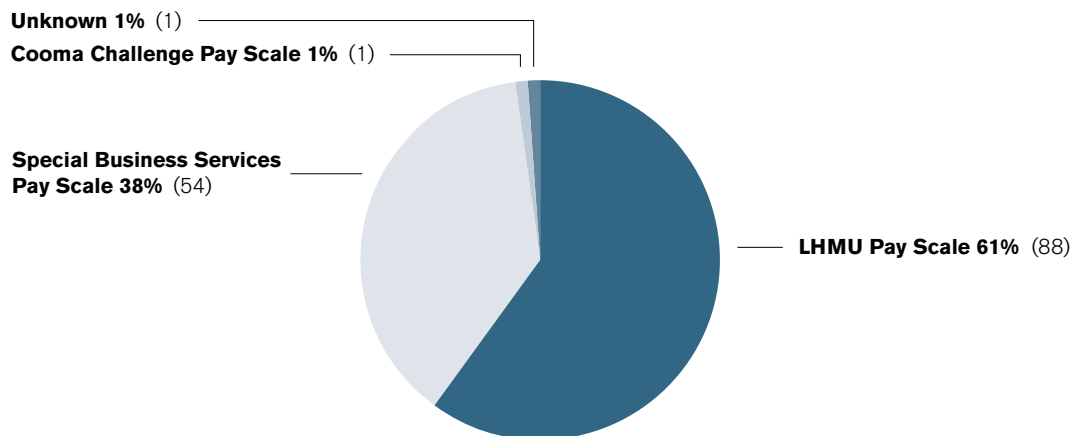
Given the small population size quantitative conclusions should be assessed accordingly.

Findings

Coverage of Disability Enterprises by Australian Pay and Classification Scales

Over half (88 organisations or 61 per cent) of survey respondents indicated their organisation is covered by the LHMU Pay Scale. Over one-third (54 organisations or 38 per cent) of respondents indicated coverage by the Special Business Services Pay Scale.⁸⁴ One respondent indicated their organisation was covered by the Cooma Challenge Pay Scale and one respondent did not provide sufficiently accurate information to determine coverage.

Figure 16: Pay Scale coverage



Note: Pay Scale coverage does not add to 100 per cent due to rounding.

Use of wage assessment tools

The Special Business Services Pay Scale and the LHMU Pay Scale attach 30 WATs for use by Disability Enterprises. Twenty-five of these are available for general use (five of these WATs are restricted for use to the owner organisation of the tool).

Overall, almost half (49 per cent) of the survey respondents indicated that their organisation was using the BSWAT, or that CRS Australia conducted wage assessments on behalf of the organisation using the BSWAT. The SkillsMaster WAT, Greenacres

⁸⁴ These findings were derived from both a direct question on coverage and supplementary questions where the organisation did not directly know the answer.

WAT and SWS WAT were the next most commonly reported WATs used by respondent organisations. A small number of respondents reported that their organisations use the Yumaro and the FWS WAT.

Over three-quarters of organisations (78 per cent) have experience of using only one WAT. Those that had experience with using other tools reported using the SWS WAT, the BSWAT, Greenacres WAT and various others. Several respondents reported using their own internally developed wage assessment methods before approved WATs were available for use.

Six respondents reported using more than one WAT. Reasons for this were varied and included:

- using one WAT for open employment and another for the Disability Enterprise;
- that different worker requirements required different tools; and
- that different tools were used for able-bodied employees and employees with physical disability.

Almost all respondents provided information about the WAT currently used by the organisation. A small number of respondents advised that their organisation did not use WATs to calculate wage rates for supported employees. The supported employees in these organisations had physical disabilities and were able to function and perform tasks to the level of an able-bodied member of staff. Accordingly, these employees were being paid at the minimum levels according to the relevant Pay Scale specified by the employer.

Table 15: Use of wage assessment tools by Disability Enterprises, May 2009

Wage assessment tool	Number	% (of n = 142)
BSWAT	69	49%
Greenacres WAT	16	11%
SkillsMaster WAT	16	11%
SWS WAT	13	9%
Yumaro WAT	4	3%
FWS WAT	4	3%
Other (n = 1)	20	14%
Ability Options		
Bedford employee		
Blue Mountains Disability Services		
BlueLine Laundry		
Civic industries		
Elouera Association		
Endeavour Industries		
GDP Industries		
Hunter Contracts		
Kurri Contracting		
Mai-Wel		
Merriwa Industries		
New Horizons		
Phoenix		
Sunnyfield		
Valmar		
Wallarra		
Wangarang Industries		
Waverley Helpmates		
Woorinyan		
Total	142*	100%

*Note: Two respondents did not provide sufficient information to draw conclusions about the WAT being used.

Use of wage assessment tools under the Special Business Services Pay Scale

Over one-third (38 per cent) of respondents advised that their organisation was covered by the Special Business Services Pay Scale. Almost one-third (31 per cent) of respondents covered by the Special Business Services Pay Scale used the BSWAT to calculate wage rates for supported employees. Other respondents reported a range of WATs including the SkillsMaster WAT, SWS WAT, Greenacres WAT and tools developed for their organisation.

Of the 54 respondents indicating that they are covered by Special Business Services Pay Scale:

- 17 are using the BSWAT;
- 7 are using Greenacres WAT;
- 5 are using SWS WAT;
- 11 are using SkillsMaster WAT; and
- 14 are using one of the remaining approved WATs.

Use of wage assessment tools under the LHMU Pay Scale

Over half (61 per cent) of respondents reported that their organisation was covered by the LHMU Pay Scale. Over half of these organisations (58 per cent) used the BSWAT to calculate pro rata wage rates.

Of the 88 respondents indicating that they are covered by the LHMU Pay Scale:

- 51 are using the BSWAT;
- 9 are using the Greenacres WAT;
- 8 are using the SWS WAT;
- 5 are using the SkillsMaster WAT; and
- 15 are using one of the remaining approved WATs.

Development of wage assessment tools

Less than one-quarter (19 per cent) of respondents reported that the WAT currently used to calculate wages for supported employees had been specifically developed for the organisation. Of those who reported that the WAT being used had been developed specifically for their organisation, one-third (32 per cent) indicated this tool had been derived or adapted from one or more existing WATs. Several respondents reported that their organisation had used various WATs to develop their own, but did not provide the sources for development, adaption or derivation.

Reasons for developing a WAT

Where respondents had developed their own WAT, they were asked to indicate their reasons. A common response was that they did so because they wanted a tool which could measure an employee's competency as well as their productivity.

'... a competency based tool would better serve our requirements as it rewards our employees for meeting some parts of competency and rewarding a score. All other tools gave no score unless competency was fully achieved.'

'... greater flexibility in assessment process to determine competencies.'

'To achieve the appropriate outcomes between skills and competencies in a wage assessment tool'

'We were not comfortable with the stringent productivity components of other systems. Our system weighted competencies and skills more heavily than straight productivity.'

Another common response was that they did so because they wanted a tool which related specifically to the type of work employees performed.

'Activities carried out are lawn & garden maintenance & office cleaning. Both activities cover varied work & complexities dependent on work situation e.g. carpeted/ vinyl/ concrete floors etc or lawn & garden sizes/terrain etc.'

'The tool relates to all areas of the laundry in which our supported employees work.'

'We developed a tool that better identified the skills related to the industries our employees work in, based on National Standards and comparisons with similar businesses.'

Other reasons respondents gave for developing their own WATs included:

- to meet funding requirements;
- no other suitable tools were available at the time; and
- the participant believed no other tools were suitable.

'It was a requirement under our funding agreement to introduce a Wage Assessment Tool that would benefit not only the disabled employees but also the able-bodied staff as well as the corporation.'

'At the time the tool was developed SWS was the only external tool available, and it is totally unsuitable and unviable.'

'... no confidence in the BSWAT tool to achieve out comes for disabled employees and the organisation.'

Sources of wage rates

Some WATs derive rates of pay from classifications in Pay Scales other than the LHMU Pay Scale, the Special Business Services Pay Scale or the preserved Pay Scale derived from the Cooma Challenge Limited Business Services (State) Award. Disability Enterprises are able to do this, provided that the rate of pay in the Pay Scale applied is equal to, or above, the rates provided for in the Pay Scale that legally covers the Disability Enterprise.

Several respondents reported using more than one Pay Scale as the source of wage rates and classifications for their Disability Enterprise.

Over half (55 per cent) of respondents derived their rates of pay from the LHMU and the Special Business Services Pay Scales while the remainder of respondents (45 per cent) sourced their classifications and wage rates from alternative wage rates.

Table 16: Sources of wage rates for respondents

Pay Scale	Number of organisations
LHMU Pay Scale	71
Special Business Services Pay Scale	8
Pay Scale cited in an approved WAT	24
Pay Scale NOT cited in an approved WAT	20
Unclear/insufficient information provided	24

Note: The number of organisations exceeds the number of survey respondents as respondents in several cases used more than one Pay Scale as the source for rates of pay and have been included in multiple categories.

Of the respondents:

- 71 organisations (49 per cent) are using classifications and rates of pay from the LHMU Pay Scale;
- 8 organisations (6 per cent) are using classifications and rates of pay from the Special Business Services Pay Scale;
- 24 organisations (17 per cent) are using classifications and rates from a Pay Scale cited in an approved WAT; and
- 20 organisations (14 per cent) are using wage rates and classifications in a Pay Scale not provided for in an approved WAT.⁸⁵

Respondents identified Pay Scales derived from the following awards/statutory minimum wages as alternative sources to the LHMU and Special Business Services Pay Scales for classifications and rates of pay:

- Biscuit and Cake Makers (State) Award (NSW);
- Brushmaking (State) Award;
- Building Services (Victoria) Award 2003;
- Property and Business Services Industry Sector Minimum Wage Order (Victoria) – 1997;
- Caterers Employees (State) Award (NSW);
- Clerical and Administrative Employees (State) Consolidated Award (NSW);
- Clothing Trades (State) Award (NSW);*
- Disability Service Providers (State) Award (Tas);
- Disability Services (State) Award (South Australia);*
- Furnishing Industry National Award;*
- Furniture and Allied Trades (State) Award 2006 (Qld);
- Furniture and Furnishings (State) Award (NSW);*
- General Store Workers, Packers, Wholesale Sellers and Distributors (State) Award (South Australia);*
- General Stores Warehousing and Distribution (State) Award 2002 (Qld);
- Graphic Arts (General) Award 2000;*
- Health and Allied Services – Private Sector – Victoria. Consolidated Award 1998;

⁸⁵ The number of organisations exceeds the number of survey respondents as respondents in several cases used more than one Pay Scale as the source for rates of pay and have been included in multiple categories.

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- Horticultural Industry (State) Award (378) (NSW);
- Laundry and Dry Cleaning (State) Award (Tas);*
- Laundry Employees (State) Award (NSW);
- Liquor and Accommodation Industry – Restaurants (Victoria) Award 1998;
- Local Government (State) Award 2007 (NSW);
- Meat Preservers, etc. Consolidated (State) Award (NSW);
- Metal Industry (State) Award (South Australia);*
- Metal, Engineering and Associated Industries (State) Award (NSW);
- *Minimum Conditions of Employment Act 1993* (WA);
- Miscellaneous Gardeners, etc. (State) Award (NSW);*
- Miscellaneous Workers' General Services (State) Award (NSW);
- Nurseries Employees (State) Award (NSW);*
- Printing Industries (State) Award (NSW);
- Sawmillers, &C., (State) Award (NSW);
- Shop Employees (State) Award (NSW);*
- Special Federal Minimum Wage (Supported Wage System);
- Storage Services General Award 1999;
- Storemen and Packers General (State) Award (NSW);
- Timber and Allied Industries Award 1999;*
- Warehouse Employees Drug (State) Award (NSW);* and
- Warehouse Employees General (State) Award (NSW).*

Note: In this list wage instruments marked with (*) are cited in an approved WAT.

Twenty respondents did not provide sufficient information to conclude whether the Pay Scale referred to in the survey was cited in an approved WAT. Eight respondents referred only to collective agreements as the source of wage rates. These rates of pay, while included in an agreement, may have been drawn from the LHMU or Special Business Services Pay Scale. This has not been specified, nor can this be inferred from their survey responses. One respondent, who referred to the collective agreement as a source of wage rates, also indicated the pay rates in the agreement were derived from the LHMU Pay Scale.

Over one third (35 per cent) reported using only one classification from the Pay Scale from which they sourced their rates of pay. The majority (97 per cent) of respondents reported using a rate at or above a Grade 1 classification in the Special Business Services Pay Scale and LHMU Pay Scale as at April 2009 (amount nominated was \$14.31 per hour). Over half the respondents (53 per cent) reported using at least one rate of pay above the equivalent Grade 1 classification rate in the Special Business Services Pay Scale and LHMU Pay Scale. Thirteen respondents (9 per cent) reported using a rate below \$14.31 per hour and four respondents provided insufficient or inaccurate information to determine whether the classifications used were above or below Grade 1.

Sources of wage rates for respondents covered by the Special Business Services Pay Scale

Of the organisations covered by the Special Business Service Pay Scale:

- 8 organisations (17 per cent) are using the Special Business Services Pay Scale as the source for classifications and wage rates;
- 10 organisations (19 per cent) reported using the LHMU Pay Scale as the source for classifications and wage rates;
- 12 organisations (22 per cent) are using an alternative Pay Scale cited in an approved WAT as a source for rates of pay;
- 12 organisations (22 per cent) are using an alternative Pay Scale not provided for in an approved WAT; and
- 14 organisations (26 per cent) did not provide sufficient information to conclude whether the Pay Scale referred to was cited in an approved WAT.⁸⁶

The alternative sources for wages rates, included in approved WATs used by respondents covered by the Special Business Services Pay Scale as a source for rates of pay included:

- Clothing Trades (State) Award (NSW);
- General Store Workers, Packers, Wholesale Sellers and Distributors (State) Award (SA);
- Graphic Arts (General) Award 2000;
- Laundry and Dry Cleaning (State) Award (Tas);
- Nurseries Employees (State) Award (NSW);
- Shop Employees (State) Award (NSW);
- Timber and Allied Industries Award 1999; and
- Warehouse Employees General (State) Award (NSW).

The alternative sources for wage rates not included in approved WATs used by respondents covered by the Special Business Services Pay Scale as a source for rates of pay included:

- Catering Employee (State) Award (NSW);
- Disability Service Providers (State) Award (Tas);
- Health and Allied Services – Private Sector – Victoria. Consolidated Award 1998;
- Horticultural Industry (State) Award (378) (NSW);
- Laundry Employees (State) Award (NSW);
- Local Government (State) Award 2007 (NSW);
- Metal, Engineering and Associated Industries (State) Award (NSW);
- Miscellaneous Gardeners, &c. (State) Award (NSW);
- Miscellaneous Workers' General Services (State) Award (NSW);
- Sawmillers, etc, (State) Award (NSW);
- Shop Employees (State) Award (NSW); and
- Storage Services General Award 1999.

⁸⁶ The number of organisations exceeds the number of survey respondents as respondents in several cases used more than one Pay Scale as the source for rates of pay and were reported in multiple categories.

Over two-thirds (72 per cent) reported using one classification from the Pay Scale from which they sourced their rates of pay. The majority (87 per cent) of respondents covered by the Special Business Services Pay Scale reported using a rate at or above a Grade 1 classification as at April 2009 (the amount nominated was \$14.31 per hour). Almost three-quarters (71 per cent) reported using at least one rate of pay above the equivalent Grade 1 classification rate in the Special Business Services Pay Scale. Seven respondents (13 per cent) reported using a rate below \$14.31 per hour and two respondents provided insufficient or inaccurate information to determine whether the classifications used were above or below Grade 1.

Sources of wage rates for respondents covered by the LHMU Pay Scale

Of the organisations covered by the LHMU Pay Scale:⁸⁷

- 61 organisations (71 per cent) are using the LHMU Pay Scale as a source for classifications and wage rates;
- 10 organisations (11 per cent) are using an alternative Pay Scale cited in an approved WAT as a source for rates of pay;
- 8 organisations (9 per cent) are using an alternative Pay Scale not provided for in an approved WAT; and
- 10 organisations (11 per cent) did not provide sufficient information to conclude whether the Pay Scale referred to was cited in an approved WAT.

The alternative sources for wages rates included in approved WATs used by respondents covered by the LHMU Pay Scale as a source for rates of pay are:

- Laundry and Dry Cleaning (State) Award (Tas);
- Metal Industry (State) Award (SA);
- Miscellaneous Gardeners &c. (State) Award (NSW);
- Nurseries Employees (State) Award (NSW);
- Timber and Allied Industries Award 1999; and
- Warehouse Employees General (State) Award (NSW).

The alternative sources for wages rates not included in approved WATs used by respondents covered by the LHMU Pay Scale as a source for rates of pay are:

- Biscuit and Cake Makers (State) Award (NSW);
- Brushmaking (State) Award;
- Disability Service Providers (State) Award (Tas);
- Federated Storeman and Packers Union/General Stores, Warehouse & Distribution Award (State) 2002 (NSW);
- Laundry Employees (State) Award (NSW);
- Liquor and Accommodation Industry – Restaurants (Victoria) Award 1998; and
- Storemen and Packers General (State) Award (NSW).

⁸⁷ The number of organisations exceeds the number of survey respondents as respondents in several cases used multiple Pay Scales as the source for rates of pay.

Two-thirds (75 per cent) of organisations covered by the LHMU Pay Scale and deriving rates of pay from this Pay Scale are using one classification from this Pay Scale, most commonly Grade 1.

The majority (93 per cent) of organisations covered by the LHMU Pay Scale are using an amount equal to or greater than \$14.31 per hour (which corresponds with the rate of pay for Grade 1 of the LHMU Pay Scale). Almost half (44 per cent) of organisations covered by the LHMU Pay Scale are using at least one rate of pay above the equivalent Grade 1 classification rate in the LHMU Pay Scale.

Four respondents reported a rate of pay below \$14.31 per hour and two respondents provided insufficient or inaccurate information to determine whether the classifications used were above or below Grade 1.

Wage assessment process

Over one-third (38 per cent) of respondents reported that wage assessments are conducted within the organisation using internal assessors. All but one of these respondents reported that a staff member conducting the assessments had undertaken relevant training to perform assessments. The most common qualification was a Certificate IV in Workplace Training and Assessment. Other respondents reported that assessors had undertaken training specifically related to the WAT being used by the organisation. A number of the organisations performing wage assessments in-house developed their own WAT (17); or used the SkillsMaster WAT (15); or Greenacres WAT (16).

Representatives from CRS Australia perform wage assessments for around half of the organisations in this survey. A small number of these organisations also have staff members or representatives from an employee organisation involved in the assessment process. All of these organisations reported using the BSWAT or simply indicated that CRS Australia conducted wage assessments on behalf of the organisation.

Communicating wage rates to employees

The majority of respondents advised that information about wage assessments was communicated to employees through the organisation. A small number of respondents reported that information was provided to employees by an external party; in particular, the consultant who performs the wage assessment.

Almost all respondents (97 per cent) reported that the WAT provided an opportunity for a support person to be present when information about the wage assessment is communicated to employees. This support person is most often (93 per cent) nominated by the employee, and most commonly a parent or carer. Several respondents reported that a disability advocate or a member of staff may assist the employee to understand wage assessment outcomes.

Accessing information about minimum rates of pay and implementing increases

Accessing information about wage rates

Over half (58 per cent) of respondents reported accessing information about rates of pay from multiple sources. Half (50 per cent) of the respondents reported using the Commission's Wage-Setting Decision documents as a source of information about rates of pay.

The most common method for accessing information about wage increases was through advice from an industry body or association (53 per cent). Other common sources used by respondents for information about wage rates included being self-informed through Internet searches and through the media, and information provided by Government Departments and agencies including FaHCSIA, DEEWR and the Workplace Authority. A small number (8 per cent) of respondents reported that their organisation relies on the Commission's Decision documents as their sole source of information on changes to classification rates.

Implementing general wage increases

Over half (55 per cent) of respondents reported that the most recent increase to pay rates in their organisation was implemented in October 2008. Two-thirds (73 per cent) of these respondents reported that this increase was the result of the Commission's 2008 general Wage-Setting Decision. Other respondents believed that the increase implemented in October 2008 was due to a decision by the AIRC or a State Industrial Tribunal. A small number of organisations appeared to have implemented the 2008 general wage increase before 1 October, between July and September 2008. Respondents also reported increasing wages due to an automatic increase in a workplace agreement. Overall, around three-quarters (76 per cent) of respondents advised that rates of pay applied to the WATs have been increased since October 2008, when the Commission's 2008 general wage increase took effect.

Employment arrangements and conditions

Formalising employment arrangements: workplace agreements

Workplace agreements set terms and conditions of employment. Workplace agreements made after 27 March 2006 cannot exclude the entitlements provided for in the Australian Fair Pay and Conditions Standard.⁸⁸ As Pay Scales form part of the Australian Fair Pay and Conditions Standard, an employer cannot pay below the rates in the relevant Pay Scale. Workplace agreements made after the 28 March 2008 must also pass the No Disadvantage Test.⁸⁹

Respondents were asked whether their WAT was included in a workplace agreement. Respondents were also asked if these agreements provided additional benefits for staff over and above minimum employment entitlements specified in their WAT.

Approximately half of the survey respondents indicated that the WAT used by their organisation was included in a workplace agreement covering the Disability Enterprise. This was most commonly a collective or enterprise agreement, with some mention of Australian Workplace Agreements and Individual Transitional Employment Agreements.

Of the respondents that indicated their WAT was incorporated in an agreement covering the Disability Enterprise, actual pay rates used to calculate wages were drawn from a range of sources, most commonly the LHMU Pay Scale.

Additional benefits

Most participants advised that they provided benefits and conditions to their employees in addition to the wage provided by the WAT to their employees. Commonly cited benefits

⁸⁸ *Workplace Relations Act 1996* – s. 173.

⁸⁹ *Workplace Relations Act 1996* – s. 172(2).

include: paid time off to attend training; additional training (type of training was not specified); time off when required to attend medical appointments; additional paid personal leave; and superannuation for all employees regardless of earnings; and employee bonuses.

Benefits in workplace agreements

Of the organisations with an agreement in place, approximately two-thirds reported additional benefits and/or conditions for employees (in addition to the wage determined through the wage assessment process). Commonly cited benefits include: paid time off to attend training; additional training; provision of TAFE courses; assistance with course fees; time off when required to attend medical appointments; bonuses; additional paid personal leave; and superannuation for all employees regardless of earnings.

Approximately one-third of these organisations also provide additional benefits and/or conditions which are not included in a workplace agreement. Commonly cited benefits provided outside of a workplace agreement include:

- bonuses;
- flexible leave arrangements;
- additional training; and
- superannuation payments.

Benefits provided for Pay Scale reliant Disability Enterprises

Approximately half of survey respondents did not indicate that their organisation was covered by an agreement. Two-thirds (61 per cent) of these respondents stated their organisations provided benefits and or conditions in addition to the wage determined through the wage assessment process. Commonly cited benefits included: paid time off to attend training and TAFE courses; superannuation for all employees regardless of earnings; flexible leave arrangements; additional personal leave; and bonuses.

Employer experiences of wage-setting

When asked to provide accounts of experiences of wage-setting some key themes emerged:

- concerns about costs associated with wage assessments;
- failure of the BSWAT to measure wages accurately; and
- an expressed satisfaction with the wage-assessment process as providing fair and transparent wage outcomes.

Several respondents who used WATs other than the BSWAT highlighted the costs associated with wage assessment as a challenge faced by their organisation.

'The system is time consuming which does present a "resourcing" issue – it would seem fair and appropriate that some recompense be provided to cover the costs of assessments, as is the case with the BSWAT tool.'

'The administrative requirement in monitoring wages assessment process combined with other government compliance requirements has significantly increased costs to

the organisation. We have trebled our support staff to deal with wage assessment and government compliance processes.'

'The time required to effectively undertake the wage assessment is an enormous impost on the organisation's human resources.'

'The wage assessment process is a very formalised and regulated procedure. It has added to our administrative costs by a substantial amount.'

'Our biggest area of concern with the wage assessment process IS THAT FaHCSIA [sic] funds the BSWAT assessments; however, if an organisation chooses to use a more valid tool for the benefit of all stakeholders it is financially disadvantaged.'

'There has been an additional cost to the organisation following the introduction of the wage tool. There has been the actual cost of assessments.'

Several respondents provided positive responses about the current wage assessment process and their WATs in providing fair and transparent wages outcomes for employees in Disability Enterprises.

'Our organisation has welcomed the changes in the sector as it has provided a level playing field which did not exist previously.'

'It is generic, it has stood the test of time, it is transparent in its operation and it pays a fair wage to employees in ADEs.'

'Wage setting process now has a clearly identified and visible process to determine wages of employees.'

'For the most part we feel that the assessment tools accurately judge the level of capacity that the supported staff have.'

'We have found by using our wage assessment tool we now have a structured approach to training and support for employees, with equitable wage outcomes which are clearly understood by our employees.'

'On the plus side the use of the wage tool provides a legitimate process to set wages taking away one of the longstanding criticisms levelled against the industry; that is, we exploit the labour and pay poor wages. In many cases, individual workers' wage level increased after the wage assessment.'

'I believe that the mandatory introduction of the Wage Assessment Tool is a positive step toward ensuring wage parity for employees, and that they are paid appropriately across the Disability sector.'

'The introduction of a wage tool has given employees more certainty and confidence that their wages are reviewed and align to what the general workforce receive.'

'For us it seems the process is clear and fair as it is. It would be unlikely that we would look at changing the current system.'

Several respondents provided comparisons between the BSWAT and another WAT, to highlight the strengths of their chosen WAT. These respondents were critical of the BSWAT,

regarding the method of assessment in the BSWAT as problematic in accurately measuring productivity and wages.

'When an assessor comes out on site & conducts a wage assessment on a client, they are only assessing one work session of that client. If the client is working well on that day, the assessment may rate as high as 80%. Especially true of some clients who "Perform" for the assessor? However, it is often the realism [sic] that over a three-month period, the client performs to a level significantly lower, between 40% and 60%.'

'The assessment process for BSWAT was more of a "snapshot" assessment which could either see the person being assessed as performing very badly (as they could be very nervous), or they could perform at the other end of the scale – very, very well as they knew someone was watching. This type of snap shot assessment is not generally an accurate measure of performance, particularly for a person with a disability.'

'The BSWAT Tool is inflexible when it comes to assessments by CRS Australia due to the fact that a person is advised that they are being assessed and they work very hard on that particular day giving an abnormal result to what is noted in our daily productivity records.'

'... originally our organisation used the BSWAT tool – we found that the tool itself was quite reasonable and was obviously written by individuals with Disability Enterprises experience [sic]. Unfortunately, we found results arrived at by using the BSWAT tool not representative of the individuals workplace performance, it is [sic] important to note that we observed results that were both excessive and also understated.'

Several other respondents expressed satisfaction with the BSWAT and their experience of wage-setting and felt it provided fair wage outcomes.

'... now uses BSWAT. We have found it to be a more fair and transparent system of assessing the staff members' capabilities as a whole.'

'We have found the wage assessment tool to be a fair process. By using the CRS tool for a number years it allows the supported workers to feel comfortable with the process so they perform at their best due to it being a less stressful process.'

'Being a small organisation, we found it easier and less time consuming to use CRS as our TOOL, their assessments were found to be fair.'

'[The] BSWAT wage assessment tool is much easier to manage and provides the expertise needed.'

'Our experiences in general with respect to BSWAT and CRS have been positive and constructive, with wage outcomes derived from the process being relatively reflective of an employee's contribution to the operational imperatives of the organisation.'

'The use of the BSWAT Wage Assessment Tool and the use of CRS as independent assessors allows for fair and equitable wage assessments.'

Another theme which emerges was a debate as to whether WATs should be productivity-based, competency-based or both.

'The argument commonly espoused within the sector of not having Award-based productivity salaries and a minimum wage is not accepted. However, there must be

flexibility within the sector as the nature of the businesses differs enormously from industrial factories to gardening etc, and therefore it is believed that no one award is relevant to all the activities.'

'We now base the hourly rate of each supported employee on their assessed productivity level. As a result, several have resigned from their work role, claiming that they were not prepared to work for such a low rate. However, staff generally agree that the assessed level does match the productivity level, and that more productive workers do receive a higher rate of pay.'

'Staff report feeling demeaned by the process of assessing their productivity around key tasks.'

Competency-based wages systems measure and assess employees based on their underpinning work skills and productivity levels. The biggest challenge with applying this system is that the number of employees with disabilities related to mental health is increasing and their competency levels fluctuate significantly.'

'Many of our supported employees are non-verbal, yet terrific at their job. These people and their families have found it unfair that their productivity is ultimately adjusted down because of their communication difficulties.'

'... do not regard the BSWAT tool as the best approach and believe the competency test disadvantages the majority of our employees with disabilities because rarely can they achieve full competency in any or every field and are penalised accordingly.'

'... the current wage tool being used is based on a productivity and competency weighting. Due to the nature of disability of our employee base, namely psychiatric, this tool seems to miss other issues faced such as absenteeism, low concentration.'

'Over the years we have had assessments going up and down depending on productivity and we believe the process is fair and transparent and protects the employee and employer.'

'We believe the Greenacres Wage Assessment Tool is the most appropriate for our employees and the organisation as it addresses competency as well as productivity together with holistic support needs.'

Some respondents recommended reform to the current systems.

'In setting the minimum wage I respectfully suggest that the lower-paid workers get a maximum possible pay rise and that the majority of workers on higher rates of pay get a minimum pay rise. I believe that this would help lower-paid workers rather than the status quo being repeated each year as the gap does not reduce due to all workers receiving the same pay rise each year. The challenges for organisations like X are the continuance of work and the wage structure for support staff who support and teach the supported workers, the pay level is low due to government funding and is creating a shortage of available staff. In terms of persons with a disability obtaining supported work, we believe that the current system of "capping" supported employment and the "job capacity assessment" instigated by Centrelink is an impediment to those persons with a disability who may wish to participate in a paid supported employment setting.'

'What would I like to see? A limit to the number of tools used. A standard hourly rate and conditions across Business Services. An independent assessment paid for as

with SWS or BSWAT. No minimum wage unless it is related to hours. No stipulation that the minimum has to be paid if the person isn't at work, or has worked insufficient hours. Wages to be calculated in 1% increments. Assessments perhaps every two years instead of 1one, as in SWS or three years as in BSWAT. A better way of deciding on competencies than from training packages. Perhaps some recognition of behaviour support which isn't included in either tools.'

One participant felt that the WATs did not provide an appropriate mechanism to determine rates of pay for employees of Disability Enterprises.

'For what it is worth my view – and that of the organisation – is that wage assessment is an inexact science, and that if the debate is only about being exactly right with wage levels, many of the other issues – fairness, equity and implementation cost – get lost in complex, but still inexact systems. The big issue is not should a person be paid \$4.40 rather than \$4.00 (a 10 per cent variation that on the face of it may seem huge), but is the wage rate reasonable, the assessment system accessible (simple and cost effective to administer) and the whole process transparent and equitable ... Our view is that ADEs would be best served by having a set of non-negotiable or bargainable [sic] provisions that any wage assessment tool/system must meet.'

Conclusions

Disability Enterprises reported being covered by one of three Pay Scales:

- LHMU Pay Scale;
- Special Business Services Pay Scale; or
- preserved Pay Scale derived from the Cooma Challenge Limited Business Services (State) Award (Cooma Challenge Pay Scale).

One respondent did not provide sufficiently accurate information to determine coverage.

Over half (61 per cent) of survey respondents indicated that their organisation is covered by the LHMU Pay Scale. Over one-third (38 per cent) of respondents indicated that their organisation is covered by the Special Business Services Pay Scale, one respondent indicated their organisation is covered by the Cooma Challenge Pay Scale and one respondent did not provide sufficiently accurate information to determine coverage.

Over half of the organisations surveyed indicated that they were using the BSWAT as their wage assessment instrument. The SkillsMaster, Greenacres WAT and the SWS WAT were the next most commonly used.

Less than one-quarter of respondents indicated that the WAT currently used to calculate wages for supported employees had been specifically developed to meet the requirements of the organisation. Of those who reported that the WAT being used had been developed specifically for their organisation, around one-third (32 per cent) indicated this tool had been derived or adapted from one or more existing WATs. Employers indicated a need to have a tool that would reflect measurements of an employee's competency, and be specific to the types of work performed at the Disability Enterprise.

Some Disability Enterprises use rates of pay and classifications from Pay Scales other than the Pay Scale actually covering the organisation. Several respondents reported using more than one Pay Scale as the source of wage rates and classifications for their Disability Enterprise. Of the respondents who are sourcing wage rates from wage instruments other

than the LHMU Pay Scale and Business Services Pay Scale, at least 21 respondents (14 per cent) reported using a Pay Scale not provided for in an approved WAT.

Most respondents advised that they provided benefits and conditions to their employees in addition to the wages provided by the WAT to their employees. Commonly cited benefits include:

- paid time-off to attend training;
- additional training (type of training was not specified);
- time-off when required to attend medical appointments;
- additional paid personal leave; and
- superannuation for all employees regardless of earnings; and employee bonuses.

Respondents provided a range of views about their experiences of wage assessment. Common themes were:

- costs associated with wage assessments for respondents not using the BSWAT;
- fair and transparent outcomes provided by the wage assessments; and
- whether a WAT should test an employee's competency, productivity or both.

6. Employee Focus Groups

Disability Studies Research Centre, University of New South Wales in partnership with People with Disability Australia Incorporated

This chapter reflects upon the data from the focus groups to explore how people with disability in Disability Enterprises perceive their: employment and social participation; work and daily life; and sources of income and rates of pay. The Australian Fair Pay Commission commissioned research on the employment experience and work-related circumstances of people with disability working in Disability Enterprises. The contracted research body, the Disability Studies Research Centre (DSRC) at the University of New South Wales in partnership with People with Disability Australia Incorporated presented its findings in the report outlined below.

Focus group – summary of findings

The objectives of the research were to explore the employment experience and work-related circumstances of people with disability working in Disability Enterprises. The research includes information on levels of understanding among those employees about how their wages are calculated to assist the Commission to monitor the effects of the Commission's wage-setting decisions on workers with disability employed in Disability Enterprises.

Participatory action research informed the methodology developed by the research team. Participatory action research is a paradigm that allows for the development of knowledge or understanding as part of the practice. A key aim of participatory action research is that the end product will be an outcome that is informed directly by and is positive for people with disability. The methodology was suitable for providing the rich detail that is needed to understand and comprehensively capture the employment experience of Disability Enterprise employees. When finalising the focus group participants, the group facilitators looked for a balance of gender, age and, where possible, culturally and linguistically diverse participants. The focus groups were conducted with employees of five Disability Enterprises and were one and one-half to two hours in duration.

All of the focus group participants felt that working at a Disability Enterprise provided an opportunity to make friends and extend one's social network.

Most participants had been trained in a variety of jobs and had developed skills sets across the organisation's machinery and job tasks. However, many of the participants expressed frustration at the repetitive tasks they had to do and at the boredom they experienced when there is no work available.

In relation to the extent to which the wages people earned fulfilled their requirements, the research identified four distinct categories of employees:

- providing for dependents;
- predominantly independent;
- assisted independent; and
- living with family.

In all of these categories a sense of satisfaction was expressed by participants by their capacity to either provide for themselves and others, or to afford opportunities such as social outings and holidays which contributed to their participation in community life.

When asked questions about how their wages are assessed, a few participants indicated that they did not know or did not understand the process, or had not been told. Some participants had an associative understanding, by which they understood in a general sense that their wages were calculated at different rates corresponding to their skills and performance/capacity level, but did not understand how these were assessed on a detailed level. And some participants displayed a detailed understanding of the wages assessment process. These participants were able to comprehend and communicate detailed information on how their wages are calculated, the grading system, the assessment process, and in some cases, distinguish between different wage assessment tools and internal and external assessments. Participants were asked questions about their understanding of how much money they earned. The majority displayed some understanding of their hourly rate or the amount of their weekly or fortnightly pay. There were some participants who were unable to provide information about their hourly rate or weekly or fortnightly wage. However, a significant number of employees disclosed an awareness that their pension is a component of the income that they receive.

Disability Enterprise employees do not present as a homogenous group in relation to their understandings around wage assessments and its link to their pay rates. Their knowledge varies from little to no knowledge to a detailed understanding.

Most commonly, participants identified a member of staff as providing information regarding their rates of pay. It was clear that employees were aware that they could seek information from designated officers within the organisation. Some participants have families that play an active role in supporting them in being informed about issues in relation to their work.

The participants demonstrated varying levels of knowledge in relation to opportunities to appeal or question the wage assessment process. This variation reflects the previous variations of knowledge and understanding discussed in this report – little or no knowledge, associated knowledge and detailed knowledge.

Participants demonstrated varied responses in regards to their awareness of and opportunities to communicate their needs, aspirations and concerns within their workplace. This variation could be dependent on workplace structures and employee feedback mechanisms tailored to the employee's needs.

Participants indicated an understanding of an authority figure as being responsible for setting the wage rates. Participants demonstrated limited knowledge beyond the Disability Enterprise in relation to wage-setting practices. Most participants were aware of the assessment process, but there were few participants who had knowledge or understanding of how that material was informed by external bodies in setting their hourly rate.

Consultation process and methodology

The methodological aim for this project is to access and understand the perceptions of employment and understandings of wage structures and their personal experiences of employment of those persons with disability employed in Disability Enterprises.

The project applied a qualitative research method with a series of focus groups and in-depth interviews to gather data. Participatory action research informed the methodology developed by the research team. Participatory action research is a research paradigm that allows for the development of knowledge or understanding as part of the practice. It allows for research to be done in situations where other research methods may be difficult to use. A key aim of participatory action research is that the end product will be an outcome that is informed directly by and is positive for people with disability. This framework was designed to be responsive and flexible, with the key elements including consultation, engagement and access, facilitated through focus groups and reporting.

Appropriateness of the chosen methodology

The selected methodology is in keeping with participatory action research with an outcome that is informed directly by and is positive for people with disability. This methodology values qualitative methods, as it seeks to understand the issues from the perspective of those who are most affected by the particular circumstances that the research seeks to describe.

The methodology was suitable for providing the rich detail that is needed to understand and comprehensively capture the employment experience of Disability Enterprise employees. The details provided by participants about their perceptions and experience of work-related circumstances, in particular, their understanding of the wage assessment process, has provided a voice to an otherwise marginalised group of Australian workers.

Research questions and instruments were developed utilising the principles of Easy English to present information that is clear, uncluttered and simple. This approach included breaking down the information to present ideas one at a time in a clear order and included pictures to illustrate key ideas.

The research instrument was confirmed and piloted in consultation with a consultant with intellectual disability and a specially formed reference group. Members of the reference group included representatives from the New South Wales Council for Intellectual Disability, Self Advocacy, National Ethnic Disability Alliance (NEDA), Aboriginal Disability Network (ADN) and the Intellectual Disability Rights Service.

Research participants

The project included five focus groups each containing six to eight participants. Participants were recruited through each Disability Enterprise. The research team made contact with Service Managers in each of the organisations and provided them with an overview of the project and a request to access the employees to seek expressions of interest in participating in the project. Each Disability Enterprise manager was then sent Easy English information sheets about the project to distribute among employees. Employees who were interested in participating were asked to inform their supervisor. When more than the required number offered to participate, the focus group facilitators individually interviewed each potential participant prior to the focus group to select participants. This brief interview consisted of three questions: 'Do you work full-time, part-time or casual?'; 'What is your living situation (live with parents/siblings, live with family (i.e. spouse and children), live by yourself)' and 'What can you tell us about your pay?'. When finalising the focus group participants, the group facilitators looked for a balance of gender, age and, where possible, culturally and linguistically diverse participants. The focus groups were conducted with employees of five Disability Enterprises and were one and one-half to two hours in duration.

The focus groups were conducted by researchers from the Disability Studies and Research Centre project team in the Sydney metropolitan area and in Newcastle. Participants were sourced through a range of Disability Enterprises to cover a spread of wage assessment tools. The names of the organisations and the specific suburb in which they are located has been omitted so as to ensure privacy for the participants of the project. The focus groups were held in the following specific locations:

Sydney metropolitan

- Eastern suburbs (n = 6);
- Lower North Shore (n = 8);
- Western suburbs (n = 7);
- South-western suburbs (n = 7); and
- Newcastle (n = 6).
- TOTAL = 34

As indicated in Table 17 (below) the participants represented a dominant full-time cohort. Three-quarters of the participants were females. Three-quarters of the participants were also over 40 years of age.

Table 17: Demographics of surveyed employees

Sex	
Male	13
Female	21
Age group	
20–30	6
30–40	7
40–50	10
50–60	8
60+	3
Employment status	
Full-time	25
Part-time	9

Source: Disability Studies and Research Centre (DSRC), University of New South Wales.

Observation by the Australian Fair Pay Commission Secretariat

The project included observation of a focus group by Secretariat staff. Participants were fully informed about the Secretariat's involvement in observing the focus groups at the time of their recruitment and prior to the start of the discussion.

Analysis and reporting

Report style and presentation

One of the primary functions of this project was to gather feedback from persons with disability employed in Disability Enterprises, on their perceptions of employment and understandings of wage structures and their personal experiences of employment. In terms of reporting, this means that a continuum of knowledge is presented. Thus, while the

report is structured, it captures the full array of experiences rather than focusing on a few core recurring themes. Relative prevalence of opinions or ideas, however, is noted so as to highlight commonly held views.

This report is intended to give a voice to employees of Disability Enterprises and accordingly, a larger number of quotes than is typical are presented, highlighted and boxed within the body of the text. These quotes add particular meaning or context to the discussion.

This report has been structured around comments from participants. It not only weaves themes from the different groups into a wider context, but attempts to show the 'human face' behind some of the different circumstances of participants. Consequently, it includes vignettes from particular participants to illustrate and expand on the themes. The names have been changed, and any distinguishing details have been removed in order to preserve the confidentiality of those who took part in the discussions.

Employment and social participation

Community and economic engagement

Work provides an important opportunity to participate in the community, as well as engage in social and economic life. For many people with disability, especially intellectual disability, there are few other accessible ways available to engage with society on these levels. Participants in the focus groups were asked a series of questions about the role work played in their lives, and the benefits they perceived they gained from having a job at the Disability Enterprise. Some common responses included:

'The opportunity to do something on a day-to-day basis ... as boring as the job might be sometimes, it's the opportunity to have the satisfaction of doing some work instead of staying at home.'

'Just keeps you occupied.'

'Gets you out of the house ... You're not sitting around moping on your injuries and whatever else, what's going to happen or whatever.'

'[Work] keeps me off the streets and keeps me away from the pubs and clubs and stuff like that ...'

'Yeah, so it's better than staying at home and it helps to feed my wife and the kids.'

'Oh, just something for me to do every day. Meeting new people.'

'As long as I'm busy I'm happy. I don't like being where you got to stand around and do nothing, because I find the day's very slow that way. I'd rather be doing something and that way you're not thinking too much either.'

'I [like] being able to communicate with my fellow workers. Sometimes we talk about silly things, privately.'

'I like going to see nice people, and actually helping them out with lifting up boxes that are hard for them to lift up.'

Social networks

All of the focus group participants felt that working at a Disability Enterprise provided an opportunity to make friends and extend one's social network. The following quotes illustrate the social satisfaction participants gained from their time at work.

'The people. The employees. Love coming to work every day. And just being with everybody here.'

'I like the job, like the people. I like coming to work every day. It's rather fun, to be with the people here.'

'You go to work and you see all your friends at work.'

'... Interacting with everyone. Getting to know the new ones that are coming in and the ones that are going and ... retiring and that.'

'Yeah, so it kind of teaches you how to be around people.'

'I like learning new skills, and being able to communicate with my fellow workers. Sometimes we talk about silly things, privately, but mostly I get on with most of them.'

'Another reason why I like working here, is because [of the] teamwork. If you're working with a good working team who support and help one another, that's a really good aspect.'

'Well, working with other people. I get along with them. Well, some days I get along with them.'

'We all treat each other with respect.'

'The people at work being very respectable like, for example, [the] supervisors.'

Skills development and aspirations

Most participants had been trained in a variety of jobs and had developed skills sets across the organisation's machinery and job tasks.

'Staff actually teach us how to do different things. We get taught how to do things, and all kinds of things. And they ask us, what do we like to do, and what would we like to do, and what's our favourite thing we want to do.'

'I learnt how to use a palette jack. How to pack a palette and then take the box up. How to lift heavy things from the ground. You have to squat down. It's better for your back to squat if you pick something up off the floor. And I learnt how to use the folding machine, and the scales.'

'The mailing and mailing stuff I've been trained on that.'

'[Name of Training Officer] taught me how to do the goods lift too, how to do the selling machine and the conveyor belt as well.'

In one focus group, participants discussed their High Support Program (HSP) (previously Individual Program Plan) meetings, which occur annually. In these meetings a staff member

meets with the employee to discuss their work goals and aspirations. Often a carer or family member will accompany the employee as a support person for the meeting.

'[We talk about] if you've improved, or you want to learn more, or you're sick of the same thing.'

'They'll ask you, "What do you like doing? Do you want to have a change; do you want to do something different?"'

One participant did training to become a team leader.

'You had to show the guys how to do it, and you know. And we had to chip in the job, and help them what to do. 'Cos we in charge, the guys here. And if they not listen, we have to tell a supervisor. That's our job.'

While most participants had received some training, this predominately took the form of supervisors or management instructing them in how to perform basic tasks such as how to operate machinery. Only in a few cases did training take the form of formal or structured skills development tailored to increase competencies and diversify skills. For example, in the focus group that included the participant quoted above, who received training in how to be a team leader, the other five members of the group had not been offered any formal or structured training. When asked what training they had received at their workplace, these participants replied:

'The fold machine.'

'How to pack boxes and how to sort things.'

'Counting, painting boxes, sealing them.'

One of these participants, when asked what had occurred in his HSP meeting, and what had been discussed, replied:

'Not much.'

Many of the participants expressed frustration at the repetitive tasks they had to do and at the boredom they experience when there is no work available.

'Well, when there's nothing to do you get bored a lot. You do this and you got to wait. Then you do something, and finish that, and then you have to wait for more to come in. You have to wait, sit and wait, and just do nothing.'

They also highlighted that there was a lack of encouragement from staff and supervisors to diversify their skills set or add variety or choice to their work environment.

'The job they put us on we can't pass anymore. We got to do it.'

'They give you a job and it's a bit hard, and they know you're struggling with it, and they say, "What's the hold-up? We gave you that half an hour ago, and you still haven't done it." Especially when they tell you, "Well, you'd better hurry up and finish it. We gave it to you ..." Like, they think they didn't take your word. Like you say you could do it, and you couldn't do it. They say, "Well, we'll give it to somebody else next time".'

'We get pushed around and hurried up on the job, when you're trying your best, and they push you a bit further.'

One participant highlighted that they only got the opportunity to diversify when a job came in that needed to be done quickly.

'Well, I get to do something different. [When] they have got a rush job or whatever they say, "Can you do this?" I will have a go. So I get a chance to do different things.'

The other participants in this focus group did not offer their own examples, but supported this person's statement.

For those who do get variety in the tasks that they do at work, this is most fulfilling.

'It helps because ... it's not the same, the same thing day in and day out all the time. [When] you get a change it makes you feel better that you're going to have a chance to do something different. You seem to enjoy it more, it feels like it's worthwhile to come in and be there when you get a change.'

When one worker expressed a desire to do new tasks, they felt that their employers viewed their disability as a liability and that this hindered their opportunity to diversify their skill set.

'I would like to be able to earn more but they won't put me on because I am a liability, I am blind in that eye, this hand has only got half a bone and you know, like it's a liability ... Sometimes when there's new jobs going, and I know what the job is, and I know that I can do [it], sometimes it's a struggle for me to convince the bosses or the supervisor that I can do it. So I just ... some of the time I have to prove to them, that I can do it.'

This same employee explained the vital role that two of his co-workers play in teaching him new tasks, usually under the radar of management.

'Sometimes they [management and supervisors] fob you off because they just haven't got the patience or the time to show you. That's where employees like [name] and [name], they jump on the bandwagon to support us, to achieve what we want to achieve.'

One of the focus group participants who adopted an unofficial training role explained why she did so.

'I trained one of the ladies, who's another worker, how to do it [a particular task at work]. Or the supervisor did, but she ... never had much time to stay there and show her properly, so I just took the role over. When they [the supervisors] go away, we teach them!'

One participant had had extensive further training and would like the opportunity to find open employment.

'Two years ago I did an office course. We learnt how to answer phones, and do photocopying and faxing. ... and we learnt how to take and leave messages. We learnt to use computers. Pretty exciting. And at the end of it we all got a certificate. I passed every subject ... Yeah. A job in an office. I'd like another job here and another job somewhere else.'

Work and daily living

Wages and goal fulfilment (wants and needs)

This section looks at the perceptions of Disability Enterprise employees to their wages as being adequate to provide for their daily living requirements and how they manage their wage. In order to do so, three categories of workers have been created to illustrate the spectrum of ways Disability Enterprise employees spend and manage their wages.

Providing for dependants (lives with dependent children and/or partner)

'I have four kids all up, but two out on their own and got their own families and the other two, well my youngest daughter she's having a baby so she's staying with my eldest son. So yeah, we're going to help her along and my younger son is with his dad now.'

'Food, bills, car, car tune-up or petrol... my son is 22 and my daughter's 20.'

'Rent, shopping, and bills, yes, pay the bills ... I live with my family, I live with my husband.'

For these individuals (across two separate sites), the combination of their wages and pension was important in making ends meet, not only for themselves, but for members of a family which relied upon them as dependents.

Predominantly independent (lives by themselves, manages their own money)

People in this category found that their wage covers essential items.

'What things do I do with my money? Very little!! For my medication basically and my rent is taken out automatically. I have so much taken out of my pension for my electricity so I don't have to worry about that.'

Some of the participants in this category found that they could use some of their wages for socialising and to engage in their favourite pastimes.

'Go out to a club occasionally. Yeah have dinner and stay and have a couple of drinks ... you know dance and that. I don't do that very often because I don't have the spare money.'

'I do find the time to actually enjoy going to the football, movies, going to parks ... you know just getting out but it's a big world out there.'

One participant described the struggle to live on her wage.

'Doctors cost you \$100 and something dollars every time I see them; medications, electricity and rent. Not a whole lot, it doesn't go very far ...'

'We don't go anywhere. Can't afford to, with bills, you know, you just can't afford to. Just stay home or I go to my mum's, she only lives up the road.'

Another participant was particularly critical of the Government's taxation policy for people who work in Disability Enterprises.

'The Government said basic wages were going to something or other a week, now most pensioners get \$275 a week. Now if they earn over \$120 a fortnight, they take 50c on the dollar from Centrelink. Why aren't they [Disability Enterprise employees] allowed up to earn up to about \$500? Why not? The Government say well you earn \$275, we will allow you to earn what, \$225 extra.'

Assisted independent (lives alone, has assistance to manage money)

When asked who looks after their bills, participants in this group stated.

'Dad does that.'

'My sister pays for them. But it's in my name.'

'I have to pay bills like electricity, gas, water, heat. Even my phone bills and my rent.'

Things they like to spend money on.

'If it's birthdays or Mother's Day or Father's Day, I buy presents. If it's a birthday, I get flowers for my mum because birthdays, it actually gets a bit hard for presents for birthdays, what they've got and all that. So I found now what my mum loves. She loves carnations.'

'Sometimes I buy magazines, and notebooks and exercise books. 'Cos I hope to be an author or illustrator some day.'

One participant felt that their wages played a role in their job satisfaction because it gave them access to additional funds.

'Also a bit of extra pocket money for yourself.'

'Living with family (lives with their family, family manages their money).'

Some of the participants who lived at home with family members spoke about the contribution they made to their household bills.

'There are three of us who work, my mother, myself and my brother and we split bills three ways. And pay my way for whatever else ... clothing. And pay for my taxi fares to and from work and any other bills that need paying off which have my name on it. I deal with that.'

'Normally rent and bills ... I normally help my mum quite a lot, so normally rent, bills, any type of thing that comes up, often that is about it I think.'

One participant mentioned that her parents look after the bills and the cost of food.

'My mum takes care of my part of it. My parents do, because I live with them.'

Other participants who did not pay board at home explained how they use their wage.

'I keep my money for the bus fare.'

'I pay him \$30.00 on Thursdays, and part of my taxi book.'

'[I] use my money for tablets, and my clothes, shampoo ... all of that, soap, and I don't have to pay my rent.'

'Going on holidays, food, clothes.'

'Paying the Internet ... shopping, buy my own things like clothes, CDs, books, DVDs. Save for my future, because I'm only young.'

Participants in this group also used their money for socialising and community engagement purposes.

'Normally I go out with my friends, every Thursday just to go out, and I go to the movies. Little small things. But every Saturday I normally go out on Saturdays to bowling, every Saturday with one of the workmates that I work with.'

One participant highlighted that both himself and his co-workers felt that their wage played a role in their job satisfaction.

'They [the participant's co-workers] know they have earned it [their wage] and they can go home and tell their parents, "I have earned this money for the week, I have done this, I have done that."'

Some participants expressed worry and concern about what would happen to them once these family supports are no longer available to them.

'I've actually told them [their employer], I'm never going to retire ... Because I actually want to keep on working. If something happened to my parents, what could I do? And also, I would have to work for myself so I can earn a living, to get money. If something happened to my parents. Plus, then I would have to look after myself. Because my parents are teaching me how to try and look after myself.'

Sources of income and rates of pay

The participants' understandings of the wage assessment process and how their wages are calculated can be best described by classifying them into three categories.

Workers with very little understanding or an incorrect understanding

When asked questions about how their wages are assessed, a few participants indicated that they did not know or did not understand the process.

'I don't know.'

'No, I don't know.'

'Not sure.'

'Don't know.'

'It's a pay thing. You get paid.'

'It's all left me. I don't know.'

'Pass.'

Some had an incorrect understanding – that is, they attributed their rate of pay to reasons that were inaccurate or not in accordance with the wage assessment process. For example, some participants felt that their attitude to their work earned them a higher wage than that of their peers.

'I feel I earn that because I'm conscientious worker, and I've never, I can honestly say, I never moan.'

'Helping them out and doing and stuff for them. Yeah, I help everyone.'

One participant understood that their wage was calculated according to different rates, but attributed this to being down to receiving 'danger money' related to the fact that they were working with various pieces of machinery.

'I used to work with machinery ... things like that and I might have got a bit of danger money.'

One participant understood that their wage was linked to their personal circumstances outside of work, and the expenses they incurred.

'Mine's probably 'cos cost of living, since I've got a unit in [suburb]. Because the cost of living and skyrocketing prices of rent and electricity bills that I'm paying ... When I bought a new unit ... So that's why mine's gone up.'

A number of participants understood that a decision was made about their pay, but had no clear understanding of how that decision was made, who made it, or what processes governed the decision-making process and their pay rate.

'... they do that to see how ... how much work you do and all that. And how much you'll end up getting paid, and you get that amount.'

'Because the capabilities of the work you can do here maybe.'

'I thought it was because it so our pension don't get effected as much too.'

'Well, when I first started I was on very low, and then I changed from one department to another, and that is when it did go up a bit, but when I seem to change jobs, I seem to get a different rate. But I don't know why. They don't tell you, I have asked that many times about why my rate changes if someone is changing different jobs? They could have you on one job 10 minutes and then the next 10 minutes you are off going to set up for another one.'

Workers with an associative understanding

These participants understood in a general sense that their wages were calculated at different rates corresponding to their skills and performance/capacity level, but did not understand how these were assessed on a detailed level.

'It's based, more or less, on what you're capable of doing. If you can do multi jobs, then your pay, it's increased ... What you're capable of doing. That's how they work out the basis of your pay.'

'They run on the list, how much you do or not [do], on the job, and that's how much you pay on that list.'

'I believe I get paid at my hourly rate because there is a lot of things I can do. I can do spray painting, I can use an industrial saw ... There is not too many jobs that I can't do there.'

'Generally I guess it comes from experience and skill and the ability to do the tasks that others probably could not do.'

Some of the participants in this group were also aware that their pay was determined through an assessment process, but could not provide detailed and complex information about how their wages were calculated through this process.

'Like when you separate things, they also ... how good your accuracy ...'

'They [the assessors] stand there and watch everybody do their work. That is all they do. And they just work it out from there themselves. As long as I get paid I don't care.'

'It goes on what you're capable of doing, your hourly wage. After three months, I'd be assessed, which I was. Then every 12 months after that, I'd be assessed again.'

'Well when they assessed me, I had a bloke test me, he came up and told me that he was going to assess me but I wasn't aware when he was going to do it. And when he was assessing me, I didn't even know and I just worked straight through it. And after they done the assessment, they called you in and they asked you a few questions about your job and that.'

'Well they, what I noticed, it was a lady, she just sort of standing there with like a book. I don't know, just writing things down, I knew she was watching me and that.'

Workers with a detailed/complex understanding

Participants were able to comprehend and communicate detailed and complex information on how their wages are calculated, the grading system, the assessment process and, in some cases, distinguish between different wage assessment tools and internal and external assessments.

'From "A", to "A", "B", "C", "D", "E", yeah, "A" to "E". You know, go down the ladder. If you up "A", you know that you're not doing very well. If it's "A" plus, you've increased a little bit, "B" so on, and so on, and so on.'

'And how quick you're going. And if you're going fast or the middle or slow ... in other words, they'll actually time you. They give you a percentage. Like, 10 per cent, or 40 per cent, or something. And there is ... it goes up, or it goes down. Like up and down on a scale. They talk to you, and they talk to you in a private place.'

'And also they also take notes down, on time that you've done a job, and how you can maintain it. So if you've done a job, they usually time you on, clocks a person on how long he or she does this job. Then they set it up again, so they time you three times, and he takes notes down, writes it all down, then they tell you how much you're going to get, 'n award wage. So they clock you.'

'They time people. How fast they do a job. I think the faster you go, the more pay you get.'

'Like when you separate things, they also ... how good your accuracy ...'

‘Well, when you first start, they look for a basic award amount that you should start on, and from then you can improve your wage on abilities and skills, how you’re going in the workplace.’

When participants from all three categories were asked why they were assessed, all believed they were assessed to check their accuracy and/or productivity. No participants mentioned that they were assessed because of their disability, and while these participants demonstrated a detailed knowledge of the assessment process and the link to the hourly rate of pay, participants did not display an understanding beyond productivity based on time and accuracy and did not indicate other factors such as workplace competencies.

Disability Enterprise employees do not present as a homogenous group in relation to their understandings around wage assessments and its link to their pay rates. Their knowledge varies from little to no knowledge to a detailed understanding.

Awareness of rate of pay

Table 18: Awareness of rate of pay

	Site one	Site two	Site three	Site four	Site five	Total
Know hourly rate	5	4	2	1	2	14
Know amount of weekly or fortnightly pay	0	2	4	2	3	11
Don't know	1	1	1	3	3	9
Total	6	7	7	6	8	34

Source: Disability Studies and Research Centre (DSRC), University of New South Wales.

As indicated in Table 18 above, the majority of participants displayed some understanding of their hourly rate or the amount of their weekly or fortnightly pay. There were some participants who were unable to inform us of their hourly rate or weekly or fortnightly pay.

‘I don't know exactly how much I get paid every week. I mean, every two weeks. I don't know.’

‘I can't remember.’

Site One, which was the regional Disability Enterprise, showed the highest number of employees with a full awareness of their hourly rate of pay, with five participants displaying an awareness of their hourly rate of pay, and only one participant indicating that they were not aware of it.

Site Four, on the other hand, showed the lowest number of employees with an awareness of their hourly rate of pay, with one participant responding with their hourly rate of pay, two displaying an awareness of their weekly or fortnightly rate of pay, and another three unable to respond to the question. The majority of participants in the focus group at Site Four had higher communication support needs than the participants at other sites, however, which may be a determining factor in their level of understanding of their pay rate.

Variation in levels of awareness of rates of pay were high at Site Two, where four participants were fully aware of their current rate of pay per hour, two had a sense of their weekly or fortnightly pay, and one did not demonstrate any awareness of their rate of pay. This site also had the highest number of participants from a culturally and linguistically diverse (CALD) background, which could indicate that cultural or language barriers were

a determinant factor in which employees fully understood what their rate of pay was as opposed to others. However, this factor is difficult to distinguish from other significant factors that may pose a barrier to understanding, such as severity of impairment.

More employees at Site Three, in Western Sydney, were able to demonstrate an awareness of their weekly or fortnightly rate of pay than were able to indicate their hourly rate of pay. As the ratio of those that did not know either pay rates to those that did was similar to that of Sites One and Three, this could be due to site-specific pay reporting processes such as payslips, depositing practises or induction procedures.

The focus group participants at Site Five, located in Northern Sydney, also varied significantly in their awareness of their hourly pay rate. Two were aware of their hourly rate of pay, three displayed knowledge of their weekly or fortnightly rate of pay, and another three indicated they did not know either rates. Based on the evidence at hand, the only indicator for these variations in knowledge is disability types.

To understand these differentiations in more detail would require data beyond the scope of this project. As discussed, the variations could be attributed to several factors, including levels of support, organisational communication and disability types.

Knowledge of sources of income

A significant number of employees disclosed an awareness that their pension is a component of the income that they receive.

'Well, for instance, I got a bit of a rough idea ... but it's what the government gives us a certain amount and the rest we earn and if you earn too much for what they pay, like I don't really know what they are, for instance with me, I get \$4 right, an hour, so that works up to be something at the end of the week and then the government gives theirs.'

'Yeah, we all get the pension every second ... fortnight.'

'Yeah, disability pension. They says when I get to 60, 65, it'll be changed to an age pension. My mum and dad got that.'

A number of participants in different sites demonstrated an understanding of how their rates of pension might be affected by their rate of pay.

'I earn too much money, and my pension [is] going down ... [they reviewed] the pension every three months, now the pension is [reviewed] only every 12 months.'

'Well, I'm sort of an odd man out, because where, usually you have to earn what is only allowed on the pension, you can't earn more.'

'... the government gives us a certain amount and the rest we earn and if you earn too much for what they pay ...'

Information on rates of pay

Participants spoke of information support in a variety of ways. Most commonly, participants identified a member of staff as providing information regarding their rates of pay.

'If you work harder, promise that your pay increased, it went up. If the same, they say, "Oh, you're the same".'

'It was actually one of the managers. He goes to me, "If you work hard, if you work hard, your pay will increase more than the normal pay, and if you work really hard for it, if you work hard for it, you might even get something along the way. You might earn, like, a certificate, for well working hard".'

'Not really sometimes [person's name], our welfare officer tells me that, no one mentioned it to me.'

Some employees noted group mechanisms to inform employees.

'Yeah, with all the workers. A workers meeting in the workshop, once a month I think we have it. And then we usually talk about previous things that's been ironed out, or fixed in the workshop, and they talk about how much you're getting as well.'

They also commonly identified members of staff a people they would talk to if they wanted to understand something.

'I'd talk to [person's name], 'cos he's the training officer.'

A few participants identified independent sources of information support, especially family that supported participants in meetings for the development of their program plans.

'Who told me? Well, It was in the memo. ... Oh, yeah, memo. And they wrote a memo to my family.'

'I brought my sister.'

'Yeah, I did. Both my mum and dad.'

It was clear that employees were aware that they could seek information from designated officers within the organisation. Some participants have families that play an active role in supporting them in being informed about issues in relation to their work.

Awareness of appeal processes

When participants were asked who they would go to should they have any questions or wish to appeal decisions about their wages, the most common response was their immediate supervisor or manager.

'Supervisor. The supervisor goes over to the office.'

'Welfare or the factory manager.'

Most other participants mentioned that they would seek the assistance of someone who worked in the office:

'[Name of the person] is the ... in the office.'

'If I ever want to ask a question to [the Officer Manager] about my pay.'

'The CEO.'

Some participants identified independent bodies as avenues for addressing concerns or complaints about their wages and wage assessments.

'... if I'm still not happy ... independent tribunal, discuss what happened to it, in the city. That's the independent tribunal in the city, Sussex Street. In the heart of the city. There's a tribunal you can go to if you're not happy with your wages. He said write a letter if I'm not happy. And [the independent tribunal] write a letter back to me, explain what's happened.'

'Yeah or the National hot line [Complaints Resolution and Referral Service].'

'... any problems we're entitled to an independent arbitrator'

The participants demonstrated varying levels of knowledge in relation to opportunities to appeal or question the wage assessment process. This reflects the previous variations of knowledge and understanding discussed in this report – little or no knowledge, associated knowledge and detailed knowledge.

'Speaking up'

Participants who had the skills and opportunity to speak up in their workplace were often those who understood the wage assessment process on the most detailed level. There was a correlation between participants understanding the policies and procedures governing their rate of pay and these participants actively taking on extra responsibility in the workplace, making their needs and preferences known to the Disability Enterprise's management in the process. For example, two participants from different sites who had received structured training from their Disability Enterprise had spoken up to their training officer or manager requesting skills development in a particular area they were interested in.

'... answering the phone ... that's all I wanted to do.'

'I've done it [a TAFE course in gardening] last year with and it was originally for just for a term or per term but now they've made it a whole year. And yeah so [the training officer] actually ... asked people who were interested in doing it, yeah.'

For many participants, the ability to speak up was seen as important in the wage assessment process itself and when Disability Enterprise staff discussed results and goals with employees after assessment. In some cases, there was an onus on the individual employee to make their needs and wants known by speaking up during these processes.

'If you complain enough I guess they could move you [to another job] in the end, but you just got to push a bit more because some of the guys told me it worked, you just got to complain ...'

'If you want any goals, they can actually put it down on their information. And if you want to train on that, they'll teach you.'

'He didn't say much. He only said, "Oh, what goals do you want to earn, and what achievements do you want to do more, and how much pay you want to increase?" That's all he said to me.'

'Most people might have a special meeting with the training officer then they choose when they want to change it and she organises it.'

For some participants, this component of the wage assessment process was not always effective due to a lack of knowledge, skills or confidence that would enable them to speak up about their goals and desires in the workplace.

'They asked me whether I was happy with the work I'm doing. I said yes, but I still wanted to learn new jobs that they think that I'm capable of doing.'

'They think I don't speak up a bit. Like, I try to hide it. They say, "Can you cope?" Sometimes I can, but I don't come out with it.'

'If you're working with a good working team who support and help one another, that's a really good aspect. But it's up to you, as an individual, to speak up for yourself, otherwise you get left behind.'

One participant from Site Three had a particularly highly developed understanding of the wage assessment process, which had enabled him to speak up to management in the Disability Enterprise about his working conditions and his rate of pay, and request a review of his previous wage assessment.

'I was reassessed when I asked ... I was allocated more responsibility ... I asked them for the review ...'

In the focus group conducted at Site Two it emerged that participants with a higher level of understanding about the wage assessment process were also those that acted in an informal advocate role to other employees. One woman, who has previously been quoted explaining how she provides training to other employees when the Disability Enterprise supervisors do not have time stated:

'And going back to the pay rate, you know, we know two or three people that are working tremendously and doubled in confidence, in confidentiality they have told us what they get and you know, it's just about blown our brains out, but you know, we have kind of voiced our opinion about that to [management] ... but you don't argue with the boss.'

The same woman spoke of a course she took organised by the Disability Enterprise that assisted her in developing the skills and competencies to speak up effectively.

'[We did] a TAFE course with regards to our working ability and what we could do ... if we wanted to further our knowledge and ability or something like that.'

'We were trained to speak up when anything went wrong, not to talk to someone else, but go to the person in charge and tell them how we felt, and as a team group, we all had our little input into things, and we were credited a TAFE certificate.'

These participants were also better equipped to act in a self-advocacy role in making their needs and wants known to employers.

'Initially they um and aah about it but I insist on getting them to let me have a go ... there have been a couple of times where I had to prove to them that I could do it.'

Participants demonstrated varied responses in regards to their awareness of and opportunities to communicate their needs, aspirations and concerns within their workplace. This variation could be dependent on workplace structures and employee feedback mechanisms tailored to the employee's needs.

Role of the Commission

Most participants were unaware of the Commission, although they were somewhat aware of people beyond the Disability Enterprise having a role to play in the setting of their wages, but in general they felt that management tended to play a significant role in determining what people earned.

'I think from the office. They come from the office. And they do computer stuff. They use the computer.'

'The other side. It's a big ... when you walk in the door, and this lady, I don't know her name, but she do the pay.'

'Probably the government.'

The individuals who administer the wage assessment tool were commonly cited as those responsible for setting an employee's wage rates. Also 'the management' was cited by several participants as being responsible for setting wages. Other figures within the organisation – 'the office', 'the supervisor', 'the training officer' were identified by participants as having that role. Only one participant was aware of a formal complaint mechanism and one was aware of the role of the Commission.

'... every time that the application goes to the Pay Commission workers pay rise, the CEO puts in a notice to all the employees and staff, there's a "What's Going On?" And he'll inform us the Fair Pay Commission's [decision].'

Participants demonstrated limited knowledge beyond the Disability Enterprise organisation in relation to wage-setting practices. Most participants were aware of the assessment process, but there were few participants who had knowledge or understanding of how that material was informed by external bodies in setting their hourly rate.

Employee interviews

The interviews were conducted by researchers from the Disability Studies and Research Centre project team, in the Sydney metropolitan area and in Newcastle. Participants were sourced from a range of Disability Enterprises to cover a spread of WATs. The names of the organisations and the specific suburb in which they are located have been omitted so as to ensure privacy for the participants of the project. Two of the interviews were conducted in metropolitan Sydney and one was conducted in the Newcastle region. As indicated in Table 19 (below) the participants represented a male and full-time cohort.

Table 19: Characteristics of interview participants

Sex	
Male	3
Age group	
20–30	1
40–50	1
50–60	1
Status	
Full-time	2
Part-time	1

Source: Disability Studies and Research Centre (DSRC), University of New South Wales.

Employment and social participation

Interview participants, like the focus group participants, responded that work provides an opportunity to participate in social and economic life.

'Something is better than nothing. This work ... there is no thinking ... but that is not possible because all of this packaging [is a] physical job ... If I don't work here, maybe I [would] still [be] at home ... upset ... a lot of negative ... thinking ... but I am busy with my work [at the ADE] so I am happy.'

'It's a job; you are not at home doing nothing, like some other people do.'

'You get paid.'

One of the interviewees highlighted that he 'liked' his supervisory role, which was not mentioned by any of the focus group participants.

'Well, I like being a team leader, it's a big role, and it's like, a supervisor ... more responsibility on my shoulders.'

The opportunities for people with disability to be in supervisory and positions of authority and the sense of achievement they derive from this is an area that requires further research. Furthermore, the impact that being in such roles has on wages and the wage assessment process is another area that requires further research.

Two of the interviewees had received formal training. One of the interviewees had, through their workplace, obtained two certificates that were linked to TAFE modules: Certificate I in Team Leadership Skills and Certificate One Employability Skills – 'Becoming a Worker' (a job readiness program). Another commented:

'I have done cleaning courses and all that. Clean operations, supervising cleaners, so I have done all them, got certificates and all that for them.'

Neither of these workers linked their training to their wages. One interview participant explained that they were not interested in the training that had been offered to them.

'They give me the training [on] how to clean this, I don't want this ...'

This participant elaborated that they desired a change from working on the 'factory floor' and would like to work in their Disability Enterprise office. They stated that they had spoken to their supervisor several times about making this become a reality, but that nothing had come out of these conversations. This instance raises questions whether Disability Enterprise workers' have the ability to 'choose' what they are trained in and if these opportunities include different skills and wage rates, and whether training is across both tasks and increases skills sets.

The focus groups highlighted that some workers experience boredom when no work is available. This was also mentioned by one interviewee.

'Like you have your up days and your down days. I haven't got much [at the ADE] on though at the moment. It's getting boring. 'Cause we sit down and we scratch our heads, nothing, I ain't got nothing [to do] ... we don't do nothing, we just sit down and talk to each other.'

'It has slowed down a bit so we haven't been working on Fridays.'

Another interviewee expressed his frustration at not being given the opportunity to work on a task for a sustained period of time.

'They change your job all the time, after you have just started one job and then they change it at the last minute.'

Work and daily living

One of the interviewees fell into the assisted independent category.

'Well, recently I moved out and like I have got to pay rent, I have got to shop ... and all the activities I want to [do].'

Two of the interviewees fell into the providing for dependents (lives with dependent children and/or partner) category featured in the Final Report. For these individuals, the combination of their wages and pension was important in making ends meet, not only for themselves, but for members of a family which relied upon them as dependents.

'Family [wife and one daughter] ... we need food, clothing ...'

They described their struggle to make ends meet on their wage.

'Before my accident, I got fortnightly ... \$800 and something, now I got fortnightly, \$150 ... When we are going shopping [we do] limited shopping.'

'Well our rent is \$480 a fortnight, but we are in a house not a unit... it comes out automatically.'

[My wife and I spend] \$40 [at the] most, because there are only two of us.

Yes, every week go shopping. Some people here [at the ADE] they said that they spend \$200, \$300 on shopping and it's only them, I said, "You are an idiot".

The limited disposable income available to Disability Enterprise employees has an impact not only on their daily living requirements, but their ability to maintain family ties and relationships. For instance, once participant explained:

'Losing my mum in our country, we cannot fly to [name of country] we have to stay here and pray for her.'

The other participant that fell into this category lived with his wife, who also worked part-time at the same Disability Enterprise. This interviewee appeared to have more money to spend on leisure.

'I have got a big surround sound system set up in my lounge room because I have a 52-inch TV, an LCD, its 100 something centimetres, it is huge ... I use some of the money for DVD's; I got a lot of DVD's.'

Sources of income and rates of pay

The focus group participants' understandings of the wage assessment process and how their wages are calculated were described by classifying them into three categories. The

understandings of the people interviewed fall into two of these categories: Workers with very little understanding or an incorrect understanding and Workers with an associative understanding.

Workers with very little understanding or an incomplete understanding

When one interviewee was asked how their wage was assessed, they expressed disillusionment with the WAT process.

'I don't know, I wouldn't have a clue how they do it, I give up trying to work it out.'

One participant appeared to be dismissive of the WAT process.

'I do not know ... how they do the assessment I don't know, it is not my concern.'

Another interviewee had an incorrect understanding; that is, they attributed their rate of pay to an inaccurate reason.

'Mainly because ... people look up to me ... Because I do more than one job?'

When asked why their rate of pay had changed in the past, the interviewee commented that this was because:

'Maybe because my wage was not up to standard.'

These interviewees understood that a decision was made about their pay, but had no clear understanding of how that decision was made, who made it, or what process governed the decision-making process and their pay rate.

'The wage people come in, from [the] CRS [Commonwealth Rehabilitation Service].'

'They are watching to find ... how you are going, they talk to you, like, "How are you going?" and all that.'

'This lady come out and check[ed] ... to make sure, like your performance is up to scratch.'

'The office, they had someone come in who done all the, assessed us and all that. So they had someone doing that.'

These findings confirm a level of awareness of the WAT process, but even with the opportunity in an interview situation, participants were not able to go into a more complex discussion of the wage assessment process.

Workers with an associative understanding

One interviewee understood that wages were calculated at different rates corresponding to an individual's skills and performance.

'Sometimes people come here ... and they, I think they stopwatch and are assessing me.'

'When I joined here first, then they talk, one gentlemen, they say you will get some ... Just give me a rough idea, you will get \$1 or something like that, for the first six months.'

If you are working good, then you will rise up. Then after six months, I get one letter, they, I think, say \$2 per hour after assessment.'

This interviewee was critical of the WAT process. This participant's statement may or may not be an accurate perception of the tool under which he was assessed.

'The assessment is wrong, very wrong ... they take 10 minutes – that is wrong. If I do something goodly, if someone do it [in] one minute, two minute[s], I can do that, like in five minutes, but I am sure they are not assessing the quality ... Quality ... they are not wanting the quality, they are only looking [at the] time factor.'

To test this perception requires access to the various WATs and their criteria. This could support focus group findings when complex understandings were present – quality was not perceived to be part of the test criteria. Instead, their understanding was that how good one's work is correlates with how fast they work with the correlation that how fast you go determines how much they receive per hour.

All three interviewees were aware of their hourly rate of pay. One of the interviewees, however, was acutely aware of their hourly rate of pay and its relative value against open wages.

'My pay an hour is nearly \$2. And one thing, my daughter is working \$10 an hour, my daughter sometimes makes fun of her dad, working [for] \$2 per hour.'

All three interviewees indicated awareness that their pension is a component of the income that they receive.

'Pension is different and pay is different ... my pay and pension ... Centrelink, they know how much I pay and according to that, they [give me] my pension.'

'Pay and pension are all on the one ... because work pays you their pension here as well, and they half one week and half the next week and it goes straight into your account and they have the account number in the office and they transfer it all there.'

It would be interesting to establish employees' levels of understanding of the combined value of their income and its relative value to average weekly wages or comparative award wages. Overall, participants were aware of having two sources of income but did not always the combined value.

Like the focus group participants, the interview participants identified a member of staff as the person they would ask if they wanted to know something about their pay.

'... a manager.'

'[The] Welfare Officer.'

One interviewee had contacted his office to appeal a decision made about his wages.

'I write letter, I complain to the office, there is no care about me, what can I do? All the time, I am in the same wage, my capacity has not increased.'

This interview participant expressed a desire for more knowledge and information about appeals processes.

Australian Disability Enterprises: Sector Profile

Unlike the focus group participants, none of the interviewees identified independent bodies as avenues for addressing concerns or complaints about their wages and wage assessments.

The interviewees were aware of the assessment process, but none of them were aware of how that material was informed by external bodies in setting their hourly rate.

Notes

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