



FACT SHEET

Employees with a Disability – Process for approving new wage assessment tools for use in the business services sector

In its first wage-setting decision, the Australian Fair Pay Commission (Commission) invited submissions regarding the addition of new wage assessment tools at any time.

The Commission has developed the following process for the approval of non-recognised wage assessment tools for use in the business services sector:

1. Business services wishing to have a non-recognised wage assessment tool added to the special Pay Scale established under section 220 of the *Workplace Relations Act 1996* should make a submission to the Commission.
2. The submission is referred to FaCSIA, 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 Wage Practice Determination'.
3. The Commission will consult with the Disability Round Table¹ on the proposed wage assessment tool.
4. The Commission will make a decision whether to approve the wage assessment tool.
5. If approved, the wage assessment tool will be added to the new special Pay Scale established under section 220 of the *Workplace Relations Act 1996* which covers employees with a disability working in the business services sector.

What is a wage assessment tool and who is required to obtain approval?

A wage assessment tool is a wage-setting mechanism which provides a method to determine pro rata minimum wages. Wage assessment tools measure the productive capacity of each individual employee and determine a corresponding pro rata wage for each employee.

In 2002, amendments to the *Disability Services Act 1986* resulted in a requirement that business services meet new standards, including a requirement to pay award based wages using a transparent tool to determine pro rata wages. This meant that business services were required to use a recognised wage assessment tool to determine the appropriate pro rata wage for each individual employee.

¹ The Disability Round Table was established by the Commission in 2006 to consult with stakeholders about issues regarding wages for employees with a disability. The Disability Round Table consists of representatives from disability, employee and employer stakeholder organisations, along with government.

Some business services operations reached an agreement with the Department of Family, Community Services and Indigenous Affairs (FaCSIA) to 'phase in' compliance with the new standards, due to the economic burden of increased wage rates.

The Commission's first wage-setting decision exempted business services who had reached agreements with FaCSIA from the new special Pay Scale, together with the requirement to adopt a recognised wage assessment tool, until **11 May 2008**.

Timelines

Business services that were not using a recognised wage tool at the time of the Commission's first wage-setting decision must lodge their submission for approval of a new wage assessment tool with the Commission by **31 August 2007**.

This allows time for the proposed wage assessment tool to be fully considered by the Commission and a decision on the proposed tool prior to **11 May 2008**.

Need further information?

If you would like more information on wage rates, call the **Workplace Infoline** on **1300 363 264**.

People with a hearing and/or speech impairment can contact the **National Relay Service** on **133 677** or **freecall 1800 555 677**.

If you would like to view the Commission's decision in full, or check other fact sheets in this series, you can visit the **Australian Fair Pay Commission website** at www.fairpay.gov.au.