



## FACT SHEET

### **Wage-Setting Decision 1/2008 – Minimum wages for employees with a disability employed in business services**

The Australian Fair Pay Commission's (Commission) Wage-Setting Decision 1/2008 adjusts the following Australian Pay and Classification Scales (Pay Scales) to include several additional wage assessment tools:

- the Special Business Services (Employees with a disability) Australian Pay and Classification Scale (Special Business Services Pay Scale); and
- the preserved Australian Pay and Classification Scale derived from the Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005 (LHMU Pay Scale).

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.

The inclusion of the wage assessment tools ensures that employees who are covered by the above Pay Scales are able to access statutory minimum wages.

Wage-Setting Decision 1/2008 was made following an extensive consultation process involving the Commission, Federal Government, representatives from disability, employee and employer stakeholder organisations, independent research organisations and individual business services.

#### **Who is affected by this decision?**

Wage-Setting Decision 1/2008 applies to *employees with a disability* who are employed in *business services*.

An employee with a disability is defined as an employee who qualifies for a disability support pension or would qualify for a disability support pension if they did not have to meet Australian residency requirements.

Business services means the employment of employees with a disability in 'supported employment services', as defined in the *Disability Services Act 1986*.

- Note that the Special Business Services Pay Scale can not apply to employees who are already covered by another Pay Scale (see section 219A of the *Workplace Relations Act 1996*).

## How does the Special Business Services Pay Scale work?

The Special Business Services Pay Scale provides pro rata minimum wages to employees based on their capacity to perform the tasks required in a particular job. In order to provide a transparent assessment of the level of capacity that an individual employee has in relation to the job that they are performing, the Special Business Services Pay Scale uses *wage assessment tools*.

The following method is used to determine pro rata minimum wages for employees covered by the Pay Scale:

1. The job that the employee is working in, or will work in, is graded by the employee's employer at one of seven different grades, having regard to the employee's skills, experience and qualifications. The grading descriptions are set out in Schedule 4 to the Special Business Services Pay Scale.
2. The employee's capacity is then assessed using the wage assessment tool that has been chosen by the employer. The result of the assessment under the wage assessment tool is expressed as a *capacity percentage figure*.
3. The *capacity percentage figure* is then applied to the rate of pay for the relevant grading (from step 1) as set out in clause 6.4 of the Special Business Services Pay Scale.

Note: the wage rates that result from the above method are *minimum* rates of pay only. The Special Business Services Pay Scale does not prevent employers from paying higher rates of pay to their employees.

### Example of the operation of the Special Business Services Pay Scale

1. James is an employee with a disability who has recently been employed in a business service. The job James performs:

- requires several months of formal training;
- is performed under direct supervision; and
- involves basic quality assurance procedures.

In accordance with clause 1.2 of Schedule 4 to the Special Business Services Pay Scale, James' job is graded at Grade 2.

2. James' capacity to perform the tasks required of his job is assessed under the wage assessment tool chosen by his employer. The assessment results in a capacity assessment figure of 70 per cent.

3. The capacity assessment figure of 70 per cent is applied to the Grade 2 rate of pay (which is \$14.18 as set out in clause 6.4 of the Special Business Services Pay Scale) to determine James' pro rata minimum wage. James' minimum rate of pay is, therefore, \$9.93 per hour (70 per cent x \$14.18).

## **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](http://www.fairpay.gov.au).

