

FAIR WORK COMMISSION NEW WAGE ASSESSMENT STRUCTURE TRIAL EVALUATION

DEPARTMENT OF SOCIAL SERVICES

FINAL REPORT

DATE

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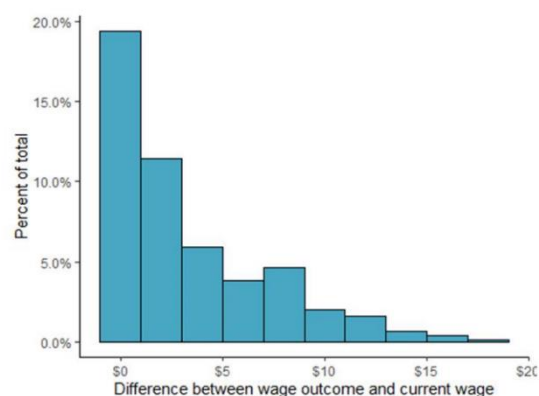
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KEY FINDINGS

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IMPACT ON SUPPORTED EMPLOYEES

Average hourly wage outcome \$9.77	Average hourly wage increase (excluding superannuation) \$3.26
Average overall productivity outcome 61%	Most common classifications across the sample 35% as Grade A 28% as Grade B



IMPACT ON ADE VIABILITY

>90% of CEOs/ management representatives were concerned the SWS with modifications would impact their viability.



TRIAL SWS ASSESSMENT RESULTS

>85% of ADE staff, CEO/ management representatives and assessors agreed the **SWS was applied consistently between supported employees.**

>66% of ADE CEO/ management representatives and staff agreed assessments were **reasonably accurate**, but concerns about several factors impacting accuracy were noted.

For **91%** of the supported employees in the Trial, the internal and external productivity **assessments were within 20%** of each other.

There was **generally difficulty understanding the changes** to Wage Grades 1–7 and the two new Grades (A and B).

RECOMMENDED ADJUSTMENTS



A change management approach and associated communications plan to ensure understanding



Mandatory training on SWS assessments



Clarification of SWS guidelines and Wage Grades



Financial support to ADEs



Support for supported employees to understand any changes and their implications

EXECUTIVE SUMMARY

THE TRIAL



FIND DETAILED DISCUSSION IN SECTION 1

The *Supported Employment Services Award 2020* (the Award) covers employers throughout Australia who operate supported employment services – Australian Disability Enterprises (ADEs).¹ The Award currently prescribes 7 Grades – reflecting different skill, experience and qualification levels – with associated minimum pay rates (Grades 1–7). The Award permits employees with disability to be paid a percentage of the prescribed minimum rates based on an assessment undertaken using an approved wage assessment tool. Currently, there are 22 approved wage assessment tools under the Award.

The Fair Work Commission (FWC) released a preliminary decision on the Award on 3 December 2019, which included running a 3-month Trial to test a new wage assessment structure.

The new wage assessment structure is comprised of:

- the **Supported Wage System (SWS)**, which assesses the productivity of employees with disability against a standard performance benchmark (set based on industry standards or timing a co-worker who works at 100% productivity), to replace all other approved wage tools, with the following modifications:
 - validation of benchmarks by independent SWS assessors
 - a 50:50 weighting of internal (conducted by ADE staff) and external (conducted by independent assessors) productivity assessments regardless of the difference between assessments
- the introduction of **2 new Wage Grades, A and B** (applicable where the employer has created a position consisting of tasks and a level of supervision that has been tailored or adjusted to meet the circumstances of the employee's disability and which does not fall into Grades 1–7 and who meet the additional criteria set by the FWC) and **modifying the existing Grades 1–7** to properly express work value:²
 - a **minimum wage** of \$3.59 per hour
 - amended **superannuation** provisions so that employees receive superannuation contributions of 10% or \$15.00 per week, whichever is greater.³

¹ This is defined in Section 1.1.

² The original preliminary decision referred to Grade A as having a minimum wage of \$7 and Grade B as having a minimum wage of \$14, but these have been adjusted to reflect the subsequent 2.5% increase to minimum wages in 2021.

³ The original preliminary decision referred to a minimum wage of \$3.50 and superannuation of 9.5% or \$15, but these have been adjusted to reflect subsequent changes to minimum wages (increased by 2.5% in 2021) and to superannuation (increasing by 0.5% annually from 2021 to reach 12%).

A Steering Committee, chaired by the FWC, was established to advise on the Trial design and evaluation.

The new structure was trialled with a randomly selected representative sample of supported employees (n=379) across 28 ADEs and 35 outlets designed to be representative of the diversity of ADEs (in terms of industry, size, location (metropolitan, regional or remote), and wage tool currently used).⁴

THE EVALUATION



FIND DETAILED DISCUSSION IN SECTION 2

ARTD was engaged to administer and evaluate the Trial to understand what:

- is needed to ensure consistent application of the new wage assessment structure
- is needed to ensure a successful transition to the new wage assessment structure
- impact the new wage assessment structure will have on the financial viability of ADEs
- impact the new wage assessment structure will have on worker earnings and hours and the interaction with the Disability Support Pension (DSP).

⁴ Note: it is not possible to be representative of all wage tools, as many are currently used by only one ADE.

The evaluation included the following data collection and analysis activities:

FIGURE 1. DATA COLLECTION AND ANALYSIS

DATA COLLECTION & ANALYSIS



Analysis of de-identified individual productivity, Wage Grade and wage outcome data for the supported employees in the sample to understand potential wage outcomes, and the effects of different elements of the new wage assessment structure.



Financial modelling based on the wage outcomes data and financial data for ADEs in the sample to understand the impact on financial risk of ADEs and which types of ADEs may be more affected.



Surveys of ADE CEO/ management representatives, ADE staff conducting assessments and independent assessors conducting assessments.

Interviews with all participating supported employees, ADE CEO/ management representatives, and ADE staff conducting SWS assessments and wage grading to understand their experience, perspectives and possible actions following introduction of the proposed new wage assessment structure.



Interviews with independent assessors conducting assessments to understand their experience and perspectives.

We were able to implement the evaluation methods largely as intended and can report on all key evaluation questions. However, there are 3 key limitations:

1. There were some inconsistencies in the implementation of the SWS with modifications and some staff remained uncertain about the Wage Grades selected for supported employees (summarised below and detailed in Section 5), which mean that, if the FWC's proposed decision is implemented, wage outcomes for supported employees may be different to those in the Trial.
2. The financial modelling is limited by a number of factors, in particular:
 - a) the difficulty predicting the influence of other wage tools not in the sample
 - b) the lack of a clear list of ADEs that are using the Award
 - c) the limited data on ADEs not in the Trial sample (including lack of financials, industry and employee characteristics)
 - d) the other factors that may influence wage outcomes that were not in the model
 - e) the other factors impacting on ADE financial risk.
3. There are some limitations to the qualitative data from supported employees. Firstly, while the intention was to interview all supported employees in the Trial, we were not able to do so due to COVID-19 restrictions in NSW and Victoria (however, those we spoke to are representative of the broader Trial sample, and consistent themes emerged from the interviews). Further, not all supported employees had a good understanding of the Trial or how their wages are currently calculated, which limited their ability to comment on the new wage assessment structure and their response to this.

KEY FINDINGS

IMPACT OF THE NEW WAGE ASSESSMENT STRUCTURE ON SUPPORTED EMPLOYEES



FIND DETAILED DISCUSSION IN SECTION 3

Across the Trial sample:

- the **average hourly wage outcome (excluding superannuation) was \$9.77**, and half of the sampled supported employees had an hourly wage outcome between \$5.10 and \$13.53
- the average **hourly wage increase (excluding superannuation) was \$3.26 per hour**, and for half of the sampled supported employees, the increase would have been in the range of \$0.05 and \$5.09
- without the minimum wage floor, 16% of supported employees would have received less than \$3.59 per hour
- without the commitment not to reduce current wages (as was specified in the FWC decision), 25% of the sampled supported employees would have received a wage lower than their current wage.

In interpreting the data on the extent of changes to wages, it should also be noted that the FWC's Annual Minimum Wage Review – separate from the changes proposed through the new wage assessment structure – also affect wage outcomes from the Trial.

The **average overall productivity outcome** – that is, the combined 50:50 weighting of the internal and external assessment – was **61%**, and half of supported employees had a productivity outcome between 44% and 78%. Across the sample, **35%** of supported employees were classified as **Grade A, 28% as Grade B, 27% as Grade 2**, 5% as Grade 3, 2% as Grade 4, 2% as Grade 1 and none were classified above Grade 4.

In interviews, most supported employees said they did not understand or appeared not to understand the new wage assessment structure. Others had a limited understanding of the new wage assessment structure. Their understanding was affected by varying levels of understanding of how their wages are currently worked out – which most supported employees didn't understand or appeared not to understand.

The Trial suggests some supported employees and families have concerns about the potential impact of wage increases on the DSP. Although no supported employees received a Trial wage outcome that would result in them being ineligible for the DSP, the proportion of supported employees that would earn enough that their DSP would begin to be tapered would increase (from 63% to 76% under the new wage assessment structure). Over half of all supported employees who spoke of the impact of a change in wages on their working hours indicated that if the new wage assessment structure impacted their DSP, they would not change their working arrangements. One-third were unsure (and a further 37 didn't answer

the question). There were also indications that families may have an influence in decision-making that was not necessarily captured in these responses.

Actions that ADEs may take in response to concerns about their financial viability could also impact on supported employees.

IMPACT OF THE NEW WAGE ASSESSMENT STRUCTURE ON ADES



FIND DETAILED DISCUSSION IN SECTION 4

Financial reports for the 2018-19 and 2019-20 financial years for ADEs in the Trial show that, prior to the new wage assessment structure, they were generally operating at low levels of profit. Additionally, the bulk of an ADE's turnover is used to pay wages for both supported and non-supported employees. This suggests a limited scope for ADEs to absorb wage increases. That said, it is important to note that wages of supported employees (affected by the new wage assessment structure) constitute a smaller proportion of turnover than the wages of non-supported employees (unaffected by the new wage assessment structure).

Balmoral Group Australia's (BGA) independent financial analysis for the 28 ADEs in the Trial employing 6,335 supported employees, estimated that wage increases could be about \$35.7 million per year. Extrapolating this to the 161 ADEs employing 16,355 supported employees (assumed to be operating under the Award), it was estimated that wage increases could be about \$76.1 million annually. When compared to the wage/ turnover benchmarks set using data from ADEs in the Trial that reported a surplus, 10 ADEs were estimated to be at highest financial risk (that is, have a wage/ turnover ratio higher than 86%) and 25 were estimated to be at high risk (that is, have a wage/ turnover ratio higher than 78%). These results should be interpreted with caution because of the range of assumptions that had to be made. Financial data had to be estimated for ADEs not in the Trial. Wage outcomes may differ for those using wage tools that were not included in the sample. There are some concerns about the accuracy of the Trial results for Wage Grades and productivity rates, and the pattern of employees by Wage Grade may differ between organisations. Where ADEs outside of the sample differ from those in the sample on key factors in the model, this would influence the results. Other factors not in the model could also influence the results. It should also be noted that ADEs have already begun to absorb the additional costs of superannuation that are included in this model as the changes to superannuation have already come into effect.

The key finding is that the vast majority of CEO/ management representatives in the Trial (>90%) expressed concern that the SWS with modifications would impact their viability. Some suggested they would need to take or consider taking actions, such as cutting some supported employee roles, adjusting roles or working hours, or closing the ADE. Although a few noted they would explore changes to the business such as changes to business streams or contracts, and/or changes to pricing structure.

ENSURING CONSISTENT APPLICATION OF THE NEW WAGE ASSESSMENT STRUCTURE



FIND DETAILED DISCUSSION IN SECTION 5

SWS WITH MODIFICATIONS

While most ADE staff and independent assessors attended training on the SWS at the outset of the Trial, the extent to which the SWS with modifications was understood by ADE staff varied. Some staff from the 5 ADEs already using the SWS as their primary wage assessment tool appeared to have found the process clearer than others. The training supported understanding, but ADEs and independent assessors also needed ongoing advice and support during implementation.

The majority (>85%) of ADE staff, CEO/ management representatives and independent assessors agreed or mostly agreed that both the ADE staff and the independent assessor were consistent in the way they applied the SWS with modifications across supported employees. However, they were less positive that the SWS with modifications was equally applicable to all of the major duties and associated tasks of the supported employees in the Trial sample.

Not all elements of the SWS with modifications were implemented consistently by ADEs and assessors – or as set out in the guidelines. The Trial data and interviews indicate that:

- 18% of supported employees were timed during assessments by ADE staff and independent assessors simultaneously, often resulting in identical timings. This was because of:
 - unclear requirements to assess separately (not explicit in the guidelines)
 - time restraints
 - miscellaneous tasks
 - stock and product availability
 - inability to replicate the task
 - supported employees' response to the Trial
 - supported employee and assessor availability.
- 17% of supported employees were not timed on all the major duties and associated tasks they usually undertake because:
 - their work varies in different seasons or with different contracts
 - the supported employees were on leave
 - assessors (both internal and independent, though more internal) felt they could not be timed because they couldn't be created with consistent and replicable conditions.
- for about 5% of tasks, less than 3 timings were taken because:
 - supported employees had concerns or objected to doing multiple timings
 - the weather affected the ability to complete certain tasks
 - certain products were not available to work on in the Trial timeframes.

Independent assessors were more likely than ADE CEO/ management representatives and staff to believe the SWS with modifications produced a reasonably accurate assessment of supported employees' productivity. While over two-thirds of ADE CEO/ management representatives and staff agreed assessments were reasonably accurate, more mostly agreed than agreed. Interviews indicate ADE staff had mixed views on the accuracy of the assessments.

There were concerns about the following factors affecting accuracy:

- being timed affecting how the supported employee regularly works (i.e. working faster or slower than normal)
- that assessments only capture a moment in time that may not reflect how the supported employee regularly works
- the assessments not accounting for 'competency' or broader work behaviours
- varying environmental conditions or the consistency and quality of products used in the assessments
- how tasks completed in a group affect the result of the assessment
- short benchmarks producing results that could not be maintained over working hours
- tasks not being done to quality requirements
- support provided during the timings.

These challenges with consistency and accuracy identified in the Trial are also encountered in current application of the SWS.

WHO CONDUCTS THE SWS ASSESSMENTS

For nearly half the supported employees in the Trial, there were minimal differences between internal and external productivity scores, with no more than a 5% difference between the two. For 91% of the supported employees, the internal and external productivity assessments were within 20% of each other – the level of variation within the current SWS guidelines for supported employment at which timings do not need to be excluded or new timings taken to try to resolve the differences.

Supported employees most commonly felt ok or even positive about being timed by both internal and independent assessors. Knowing the staff timing them, or meeting the independent assessor timing them helped, as did assessors keeping a distance and making them feel comfortable or explaining the process. A smaller number felt nervous or anxious.

Generally, the view among ADE staff and independent assessors was that it would be beneficial for both ADE staff and independent assessors to conduct assessments as this encourages discussion, justifies decisions, creates accountability, and fosters collaboration between the 2 assessors to create a fairer, more equitable and holistic assessment. ADE staff were said to understand their context, the tasks and supported employees' usual performance, and be able to take timings at different times that would reflect regular work. Supported employees also feel comfortable with them. The independent assessors were said to provide independence and expertise in the SWS and the ability to act as an impartial validator. In the Trial, independent assessors played an important role in supporting ADEs to understand and apply the SWS, suggesting they will have a key role in implementation at least in the short term.

THE WAGE GRADES

There was generally difficulty understanding the changes to Wage Grades 1–7 and the 2 new Grades (A and B) outlined in the *Wage Grade Assessment Guidance* document that was provided. ADEs mentioned being unsure how to interpret the ‘gateway’ requirements, thinking that some supported employees fit into more than one grade, met the conditions of a grade some but not all of the time, or met the conditions of various Grades where their duties varied. The lack of clarity about the guidance translated to questions about consistent interpretation and application of the Grades. Interviews indicate that many ADE staff noted uncertainty about whether they had consistently applied the Grades.

ADJUSTMENTS TO SUPPORT A SUCCESSFUL TRANSITION TO THE NEW WAGE ASSESSMENT STRUCTURE FOR ADEs



FIND DETAILED DISCUSSION IN SECTION 6

If the SWS with modifications (in the proposed or a further modified form) is to be implemented in ADEs, the Trial has identified the following adjustments to support a successful transition for ADEs.

A change management approach and associated communications plan

- Develop a change management plan for the transition, which recognises the need to clearly communicate the rationale for the change to ADEs.
- Provide clear, consistent and repeated communications to the sector to support ADE staff to understand the transition – the rationale, the process for transitioning, the supports available, and the details of how the new structure works.

Transition timeframe and timing of assessments

- Confirm a feasible timeframe for transition with reference to the time required to:
 - agree on supports to be provided to ADEs and supported employees
 - communicate with all ADEs and supported employees about the change through a centralised communication strategy
 - train independent assessors and ADE staff on the SWS in the ADE context
 - have independent assessors assess all supported employees (noting there may be issues with the sufficiency and availability of the workforce across all locations).
- Consider setting a start point for new wage changes to come into effect across the sector to ensure equitable application of the new wage assessment structure for supported employees across different ADEs.
- This suggests about a few years would be required for the transition after the FWC’s final determination, if the time required for agreement on supports to be provided and allowance of a buffer for delays (which the Trial suggests should be expected) are factored into the timeframe.

Clarifications and adjustments to the SWS with modifications

- Clarify the benchmarking process, including:
 - an appropriate approach where there is not an available comparator who regularly performs the tasks at 100% productivity

- what constitutes validation by the independent assessor
- considerations for setting an appropriate benchmark length.
- Consider developing a benchmark index of common tasks by industry type for ADEs to use as a reference point when benchmarking. This could be developed in working groups or during training sessions. It may not be possible to set benchmarks to be used across organisations, but the process could encourage ADEs to share strategies for developing appropriate benchmarks and an index could help ADEs sense check their benchmarks.
- Clarify (but not over-specify) what constitutes 'all major duties and tasks' in an ADE context where duties may change substantially based on contracts, seasons and/or rotating roles. Alternatively, revisit the proposed modification to time supported employees on a 'representative sample of duties and tasks', ensuring clarity so this can be consistently applied.
- Have independent assessors conduct assessments at least in the short-term.
- Consider whether internal assessments should be required (they are optional in the current guidelines) given the resourcing this would require and comments about limited staff capacity to conduct assessments.
- Clarify that internal and external assessments need to be conducted separately to capture variations in productivity.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.
- Identify a range of circumstances in which fewer than 3 timings of a task would be justified.
- Clarify that a supported employee should receive regular support during an assessment.
- Clarify when a timing should be paused or stopped or continued when a supported employee is off-task or requires support to continue with the task.
- Communicate clearly that covert timings are not allowed.
- Provide further guidance about virtual assessments and when and how these can be used.
- Provide a FAQ sheet addressing the issues encountered in this Trial.

The new Wage Grades

- Consider providing more detailed guidance on the 2 new Grades A and B and the changes to Grades 1–7, including:
 - clarification of the gateway requirements
 - case studies or examples by industries and/or roles.
- Consider how the definitions could be adjusted to prevent ADEs identifying that supported employees could fit in multiple categories.
- Consider providing guidance on situations where some of a supported employee's work could fit in one Grade and some in another.

Training

- Require those conducting assessments to be trained in implementation of the SWS in ADEs ahead of the transition, and consider how access to ADE-specific ongoing training in the SWS could best be made available.
- Consider providing training on Wage Grades under the Award.
- Consult with trainers about optimum training participant numbers – likely under 30.

- Streamline training by having a pre-module (online) for ADE staff about the elements of the SWS, prior to more practical (face-to-face, if possible) training in conducting the assessments for ADE staff and independent assessors.
- Consider the potential to group ADEs by business type for training to enable a focus on troubleshooting for particular contexts and discussion of appropriate benchmarks for similar tasks.
- Explore the potential to match independent assessors to ADEs at the time of training to establish collaboration for implementation.
- Consider including an assessment component of the training to ensure comprehension.
- Collect feedback on the training and adjust as needed to ensure it is supporting comprehension and practical application.

Improvements to support

- Provide a centralised help desk, at least during the transition, to coordinate support from Subject Matter Experts on the SWS with modifications.
- Consider providing a centralised help desk for application of the Wage Grades during the transition (particularly correctly applying the Grades across ADEs).
- Explore the potential for other ongoing supports, such as group-based supports for ADEs in similar industries to troubleshoot issues.

Data collection tool

- Consider the benefits versus the costs and potential issues of developing a user-friendly assessment data collection tool for the new wage assessment structure.

Financial supports

- Provide funding for ADEs to absorb wage increases.
- Fund independent assessments.
- Consider whether funding would also be provided to support ADEs with the implementation process with consideration to:
 - the need for attendance at training to support quality implementation
 - the responsibilities of employers for conducting wage assessments
 - the reported additional time taken for SWS assessments compared to existing wage assessment tools
 - the potential for implementation to become more efficient over time.

TRANSITION CONSIDERATIONS FOR INDEPENDENT ASSESSORS

Training and matching assessors to ADEs

- Require assessors to complete SWS training for the ADE context,⁵ which includes a focus on ADE operating environments and business contexts.
- Consider matching independent assessors to ADEs based on location, and scheduling assessments at larger ADEs in advance, noting that this would require amendments to the current system of allocating assessors.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.

⁵ Currently, there are no differences between SWS training in open and supported environments.

ADJUSTMENTS TO SUPPORT THE TRANSITION FOR SUPPORTED EMPLOYEES

A change management approach and associated communications plan

- Start communicating information about the new wage assessment structure to supported employees and their support networks months in advance to prepare them for the transition.
- Provide ongoing communication from the FWC or the Department of Social Services to support understanding.
- Provide communications that include the rationale for the changes and how to make informed decisions about the interaction between wages, working hours and the DSP.

Engage support networks

- Communicate with families about the new wage assessment structure, where this is required and desired by the supported employee.

Information materials about the new wage assessment structure

- Provide communications material in a range of formats for supported employees and their families/ support networks to understand the transition and the new wage assessment structure.

Support

- Hold information sessions for supported employees and their support networks.
- Provide a centralised help desk during the transition to help supported employees and their support networks to understand the new wage assessment structure.
- Provide supported employees with information and support to make informed decisions about their working hours if their wage increases will affect their DSP.
- Provide supported employees with information and support to understand their responsibilities around tax returns if they need to provide these for the first time.

Support for assessments

- Give adequate notice to supported employees for their assessments.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.
- Clearly explain the task and when to start and stop.
- Align with supported employees' normal schedules (where possible), keep the environment as close to the normal work environment as possible and remain unobtrusive but focused to minimise supported employees' potential anxiety.

1. THE NEW WAGE ASSESSMENT STRUCTURE TRIAL

1.1 BACKGROUND

The *Supported Employment Services Award 2020* (the Award) covers employers throughout Australia who operate supported employment services – Australian Disability Enterprises (ADEs). These services support the paid employment of people with disability:

- for whom competitive employment at or above the relevant award wage is unlikely; and
- who, because of their disability, need substantial ongoing support to obtain or retain paid employment.⁶

The Award currently prescribes 7 Grades – reflecting different skill, experience and qualification levels - with associated minimum pay rates (Grades 1–7) and permits employees with disability to be paid a percentage of the prescribed minimum rates based on an assessment undertaken using an approved wage assessment tool.

To date, the Award has included assessment tools privately developed by ADEs and approved by the Fair Work Commission (FWC). There are currently 22 approved wage tools. These assess the relative competency and/or productivity of supported employees in various ways to result in the employee receiving a percentage of the minimum award rate, in accordance with their Wage Grade.

One of the 22 approved wage tools is the Supported Wage System (SWS), which was established to enable assessment of the productivity of people with disability in open employment. The SWS involves an independent external assessment to determine the productivity of the employee with disability against a standard performance benchmark. In open employment, the SWS is used when a person with disability is unable to work at full productive capacity compared to another employee who performs the job at the performance standard. The SWS was modified in 2017 for use in supported employment. The guidelines for the SWS in supported employment allow for employer collected productivity assessments to be factored into wage calculations.

1.2 FAIR WORK COMMISSION 2019 PRELIMINARY DECISION ON CHANGES TO THE AWARD

The FWC released a preliminary decision on 3 December 2019 as part of the FWC's 4-yearly review of the Award. The Full Bench determined that 'there should be a new wage fixing methodology for disabled employees which took into account the value of the work they performed and their productivity level.'

⁶ *Disability Services Act 1986* (Cth), s 7.

The Full Bench proposed changes to the Award, including:

- removing all existing wage assessment tools, to be replaced by the SWS with modifications as the only approved wage tool
- introducing 2 new Wage Grades, A and B (applicable where the employer has created a position consisting of tasks and a level of supervision that has been tailored or adjusted to meet the circumstances of the employee's disability and which does not fall into Grades 1–7 and who meet the additional criteria set by the FWC) and modifying the existing Grades 1–7 to properly express work value
- setting an absolute minimum wage of \$3.50 per hour and amending superannuation provisions so that employees receive superannuation contributions of 9.5% or \$15.00 per week, whichever is greater⁷
- implementing a 3-month Trial to test the aforementioned changes with a representative sample of ADEs and supported employees.

The preliminary decision also identified that no supported employee would earn below their current wage.

1.2.1 NEW WAGE ASSESSMENT STRUCTURE

The terms used throughout this document to refer to the changes to the Award proposed by the FWC are the new 'wage assessment structure'. This includes:

- the introduction of Wage Grades A and B and the updated wording of Grades 1–7
- the SWS with modifications and the removal of all other existing approved wage tools
- the introduction of the minimum wage
- the changes to superannuation.

However, the updated wording of Grades 1–7 was not the focus of the Trial.

⁷ Note: this subsequently needed to be adjusted with increases to the minimum wage and superannuation applied from 1 July 2021. Following these changes, the minimum wage is \$3.59 per hour, and superannuation contributions are 10% or \$15 per week, whichever is greater.

SWS WITH MODIFICATIONS

The FWC identified the following modifications to the SWS, which were clarified for the purposes of the Trial.

TABLE 1. MODIFICATIONS TO THE SWS

Modification	Clarification for the Trial
The SWS assessor must independently determine that the benchmark used for the assessment is valid and appropriate.	The Trial Steering Committee subsequently agreed the process of developing benchmarks should be a collaboration between the internal ADE staff member and the SWS assessor, with the independent assessor validating the benchmark.
Where an employer collects workplace data as to the employee's productivity levels, that data must be assigned a 50% weighting in the overall assessment, regardless of the degree of disparity with the result of the SWS assessor's assessment. ⁸	For the purposes of the Trial, the FWC agreed both internal and external assessments would be required for all supported employees so the difference between these could be identified.
Where an employee performs more than one major task in their job, the SWS assessment must measure a representative sample of the tasks performed and weight them appropriately.	This was removed based on advice from the Full Bench of the FWC that the SWS guidelines (which refer to all major duties and associated tasks) be followed rather than the wording in the proposed decision.

1.3 THE TRIAL OF THE NEW WAGE ASSESSMENT STRUCTURE

A Trial was intended to run in 2020 but was delayed until 2021 due to COVID-19 restrictions affecting ADEs and supported employees across the country.

1.3.1 AIMS

The overall objective of the Trial was to understand the practicality and cost impact of the FWC's preliminary determination, as well as to identify transitional arrangements, including supports required and recommended timeframes.

⁸ Currently under the Award, if validated workplace data is available, and the variance is 20% or less, the assessor calculates the employee's wage giving a weighting of 50% to the workplace data, and 50% to the assessor data. If variance is greater than 20%, they may agree to exclude some timings that were not taken in usual circumstances or to collect additional data. If when the additional data is included, the variance is 20% or less, the assessor calculates the employee's wage giving a weighting of 50% to the workplace data, and 50% to the assessor data. If the variance is still greater than 20%, the assessor calculates the employee's wage giving a weighting of 100% of the assessors data.

1.3.2 TRIAL GOVERNANCE

A Steering Committee was established to advise on the Trial design and evaluation. This was chaired by the FWC, and consisted of representatives from:

- FWC
- Department of Social Services (DSS)
- National Disability Services (NDS)
- Australian Business Industrial and NSW Business Chamber
- Australian Council of Trade Unions (ACTU)
- Health Services Union (HSU)
- Our Voice Australia
- AED Legal Centre⁹
- Greenacres Disability Services.

The Committee's responsibility was to:

- participate in good faith to shape the Trial to achieve the objectives set out in the Trial Design Paper
- provide expert advice on wage tool and grade assessment processes in relation to the Trial
- engage with the other Committee representatives, in providing expert advice and contributing to Trial:
 - preparations, including participant training development
 - implementation
- engage with the Trial evaluators in developing the Trial methodology
- resolve grade assessment and wage assessment disputes of a general nature
- provide input to the Trial evaluation for consideration as required
- maintain confidentiality of all Committee matters, including discussions at meetings, correspondence and Trial outcomes.

The aim was for discussions resulting in consensus. However, where this could not be achieved, decisions would be made by the Chair.

1.3.3 TRIAL ADMINISTRATION

ARTD Consultants were engaged to support the design and administration of the Trial and to conduct an evaluation.

⁹ AED Legal Centre briefly suspended their membership while there was a legal challenge heard in the Federal Court.

1.3.4 SAMPLE FOR THE TRIAL

Trial sampling was undertaken at 2 levels:

- A stratified random sampling approach was used to select **ADEs** and associated outlets.
- A random sampling approach was used to select **supported employees**.

At the time the sampling was undertaken (2020), there were more ADEs and supported employees in the population, so the targeted number of ADEs and supported employees was higher than at the time this report was written.

RECRUITING ADES

Balmoral Group Australia (BGA) classified ADEs by size (using ABS definitions of size [small 1-19 employees, medium 20-199 employees, large ≥ 200 employees]) and randomly selected a number of ADEs of each size in proportion to the ADE population. Identified ADEs were reviewed to ensure a reasonable representation by location, wage tool used and industry. It should be noted it is likely some data on wage tools is incorrect at the population level, as this was identified for one ADE in the Trial.

DSS approached ADEs selected to participate in the Trial.¹⁰ At the commencement of the Trial, 32 ADEs (39 outlets) had agreed to participate. During the early stages of the Trial, 4 ADEs and one outlet withdrew. All 4 ADEs cited a lack of organisational capacity due to limited staffing availability, indicating they did not believe they would be able to complete Trial assessments.

RECRUITING SUPPORTED EMPLOYEES

To avoid 'oversampling' from small ADEs that are likely to have a smaller, more homogeneous workforce than larger ADEs that are likely to have a more diverse industry and employee base, an indicative number of supported employees from each outlet was set. As a 'rule of thumb' the number of supported employees at each outlet was the larger of twice the number of outlets operated by the ADE, or 5 (as a minimum number for logistical reasons). The supported employee sample was designed to be representative at the population level, not for each ADE.

Originally, a stratified random sample of supported employees was to be independently selected (using de-identified data), but to ensure privacy and confidentiality of supported employees, this was changed to a random sampling approach conducted by ADEs on the instructions of ARTD Consultants.

To randomly select the sample at the ADE level, the total number of supported employees at the ADE was divided by their sample amount. For example, an ADE that had 225 supported employees would have had a sample size of 14. To select the employees for the sample,

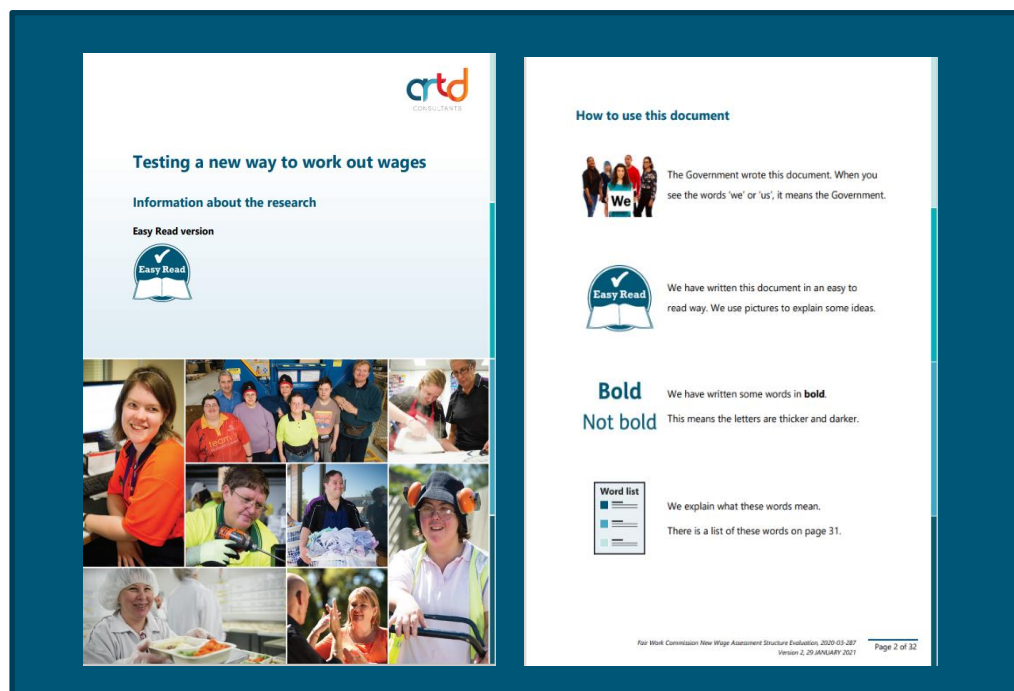
¹⁰ Five ADEs declined, 10 did not respond, and one was not operating under the Award so was not eligible to participate. When ADEs had to be resampled after some declined to participate, the focus was on maintaining representativeness by location as industry data was limited, some wage tool data was missing, and there were limited ADEs that fit all criteria.

ADEs divided 225 by 14, which is 16. The ADE then used their 'n' (16 in this example) to generate the sample. For the example ADE, every 16th employee would be in the sample, from a list of all supported employees sorted by alphabetical order.

ADEs were able to raise concerns if they believed the person that was selected through the random sampling was not appropriate to approach. In this case, they were asked to send the reasons for this through to DSS and the Trial consultants, and both parties had to agree this was valid. Four ADEs used this process to seek approval to resample for a total of 13 supported employees. Of these, the reasons provided were risks to health, including mental health (n=7), employees being very new and not ready to undertake a wage assessment (n=5) and the person having significant concerns about privacy (n=1). All 13 applications were approved by DSS and ARTD Consultants, as valid reasons had been provided.

ADEs were provided an **information and consent form in Easy Read** and a **video** version of the consent form to use to invite the supported employees that were randomly selected to participate in the Trial. Supported employee participation was voluntary. If a supported employee declined to participate, the next person on the list after that person was approached, until the sample was completed. ADEs were instructed in the informed consent process. ADEs were not asked to report how many supported employees had declined to participate. Thus, data is not available on how many supported employees did not consent.

FIGURE 2. EASY READ MATERIAL PROVIDED TO SUPPORTED EMPLOYEES

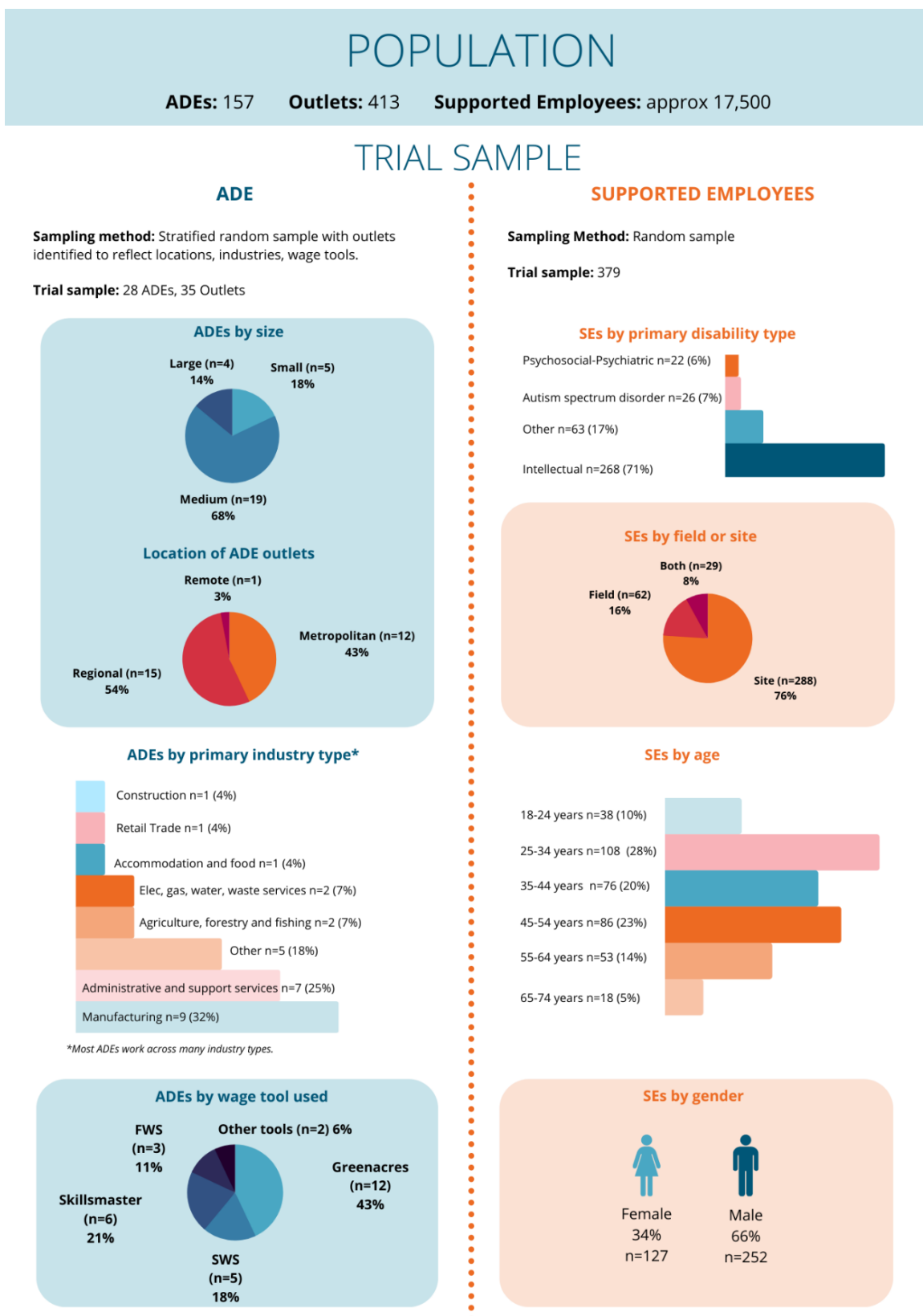


Some ADEs were unable to recruit as many supported employees to participate as intended. Additionally, some supported employees across ADEs withdrew from the Trial. ADEs reported this was because they:

- felt nervous or uncomfortable about being assessed
- did not like the change in routine
- were sick or injured
- were on leave
- had changed their mind about participating
- had resigned.

Additional supported employees were recruited to maintain the sample of supported employees. The aim was to maintain overall sample characteristics as much as possible, but it was also necessary to work with the ADEs that had the capacity to take on additional assessments. Seven ADE outlets added supported employees to their original sample, to get to the final total of 379.

FIGURE 3. ADE AND SUPPORTED EMPLOYEE SAMPLE FOR THE TRIAL



UPDATED ADE AND SUPPORTED EMPLOYEE POPULATION DATA

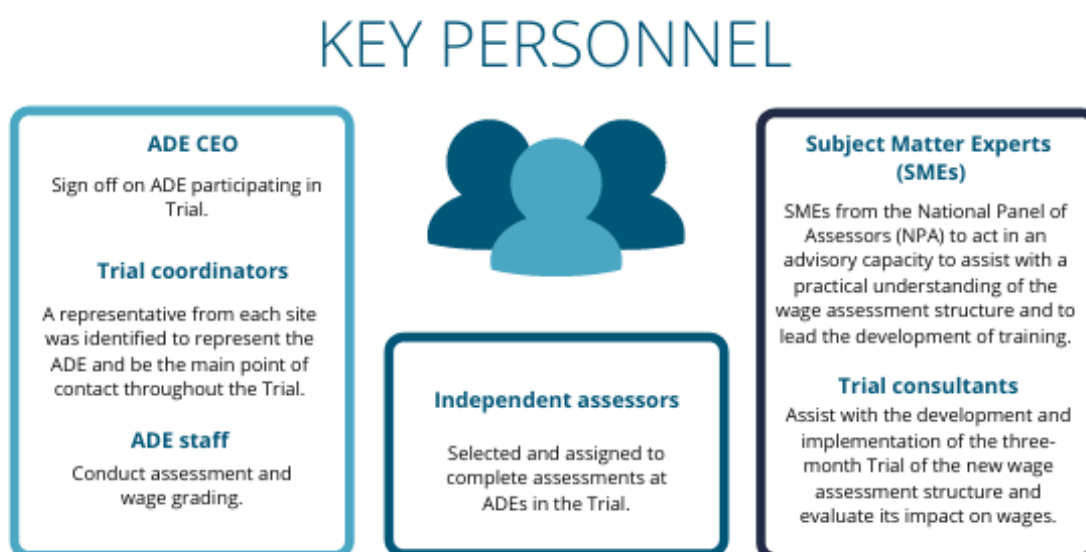
In September 2021, ADEs in the Trial sample provided updated data on supported employee numbers at their outlets. While some had increased their number of supported employees, others had reduced their number of supported employees. On the whole, across ADEs in the sample, the number of supported employees had decreased by 11.6%. To estimate the current population of supported employees and ADEs for the purposes of financial modelling, it was assumed that the supported employee population from other ADEs would likewise have reduced by 11.6%, so the number of supported employees in each ADE outside of the Trial sample was reduced by 11.6%, while self-reported supported employee numbers were used for those in the Trial.

At the time of reporting, it is estimated 161 ADEs¹¹ and 16,355 supported employees are operating under the Award. As there is not a list of ADEs operating under the Award,¹² this may overestimate the number of ADEs under the Award that would be affected by the changes.

1.3.5 WHAT THE TRIAL INVOLVED

Key personnel involved in the Trial are shown in Figure 4.

FIGURE 4. KEY PERSONNEL INVOLVED IN THE TRIAL



¹¹ The ADE population sampled from at the start of the Trial was 157 ADEs, but the updated ADE population is 161 ADEs.

¹² This is because businesses are responsible for managing their use of Awards or enterprise agreements and the FWC only becomes involved if required.

What the Trial involved for key personnel is shown in Figure 5.

FIGURE 5. WHAT THE TRIAL INVOLVED



TRAINING IN THE SWS WITH MODIFICATIONS

DSS arranged for skilled assessors – Subject Matter Experts (SMEs) – to provide training for independent assessors and ADE staff who would be conducting assessments for the Trial. While face-to-face training was originally planned, the training ended up being held online over 4 days in March 2021, due to COVID-19 restrictions (2 sessions were available for assessors to attend). The training explained the Trial, the elements of the SWS assessment process, data collection and the evaluation.

WRITTEN GUIDANCE ON THE SWS WITH MODIFICATIONS

The training resources and SWS guidelines provided to ADE staff and independent assessors who attended the training included:

- *Supported Wage System Handbook under the Supported Employment Services Award 2020*
- All training slides and worksheets, covering:
 - Trial and evaluation overview
 - identifying duties and tasks
 - benchmarking and validation
 - productivity assessments
 - assessment process and Trial readiness
- Recorded presentations
- FAQs.

These were hosted on Microsoft Teams so there was continual access to the documents.

GUIDANCE ON THE WAGE GRADES

The FWC and Steering Committee decided training would not be provided on Wage Grades because ADEs do not currently undergo training on wage grading. Instead, a high-level *Wage Grade Assessment Guidance* document explaining the addition of the 2 new Grades was initially provided to ADE staff in March 2020 and then redistributed after they had completed all SWS assessments (see Appendix 4).

TRIAL DATA COLLECTION TOOL

For the purposes of the Trial, a data collection tool was built in Microsoft Excel to calculate the assessment results, allowing the effects of different components of the new wage assessment structure on final wage outcomes to be identified. There was an Excel file for each supported employee in the Trial, and ADE staff and independent assessors responsible for employee assessments were sent secure links to the relevant files in SharePoint to record benchmarking results and assessment timings. Guidance material on how to enter assessment data into the Trial data collection tool was provided and this was also covered in the training.

SUPPORT

ARTD Consultants coordinated information and support for independent assessors and ADE staff through a centralised help desk (phone and email) available throughout the Trial. The Trial consultants provided information and official resources on the consent process, the SWS benchmarking and assessments, the wage grading, and Trial timelines. They also advised on the use of the Trial data collection tool.

They directed:

- queries and concerns about the SWS to the SMEs who delivered the training
- queries about the wage grading to DSS, the FWC and the Steering Committee
- other concerns to DSS
- coordinated responses back to ADEs.

THE WAGE ASSESSMENT PROCESS

The steps involved in the wage assessment process is shown in Figure 6.

FIGURE 6. WAGE ASSESSMENT STEPS



Note: Other benchmarking methods trained on (but not commonly used) were employer determined benchmarking, industry/ commercial standard, and customer contract specification benchmarking methodology.

Limitations of the Trial data are discussed in Section 2.3, and challenges with implementation in Section 5.2. Results from the wage assessments are presented in Section 3.4.

1.3.6 TIMING

The first ADE completed assessments by 13 May 2021, and the last completed assessments by 11 August 2021, with data entry completed by 18 August 2021 followed by final data checks.

2. THE EVALUATION

2.1 PURPOSE AND KEY EVALUATION QUESTIONS

The evaluation of the New Wage Assessment Structure Trial (the Trial) aimed to answer questions developed with the Steering Committee.

KEY QUESTIONS

1. What is needed to ensure consistent application of the new wage assessment structure to deliver an accurate wage assessment for supported employees?
2. What is needed to ensure a successful transition to the new wage assessment structure?
3. What impact will the new wage assessment structure for supported employees have on the financial viability of Australian Disability Enterprises (ADEs)?
4. What is the impact of the new wage assessment structure on worker earnings and worker hours and the interaction with the Disability Support Pension (DSP)?

SUB-QUESTIONS

The new wage assessment structure

- To what extent is the new wage assessment structure understood by ADEs and supported employees?
- To what extent can the Supported Wage System (SWS) with modifications, along with the new Wage Grades, be accurately applied across supported employees?
- To what extent can the SWS with modifications, along with the new Wage Grades, be consistently applied by ADEs and assessors?

The impact on and views of ADEs

- What challenges will ADEs face in implementing the new wage assessment structure?
- What is the cost impact of the new wage assessment structure on ADEs?
- What concerns do ADEs have about the new wage assessment structure?
- To what extent are ADEs motivated to complete the transition and what barriers and enablers do they report?

The impact on and views of supported employees

- What is the experience of supported employees in having their productivity and wages assessed through the new structure?
- What concerns do supported employees and/or their nominees (where applicable) have about the new wage structure?
- How does each component of the wage assessment structure impact on supported employee wages?
- Do supported employees intend to change their working arrangements if there are impacts on their wages? How?

Recommendations for the transition

- What are the critical success factors for the transition identified through the Trial?
- What are the main barriers to a successful transition identified through the Trial?
- What adjustments could be made that would support the transition for ADEs?
- What adjustments could be made that would support the transition for supported employees?

- What, if any, innovative ideas were identified through the Trial to improve the efficiency and effectiveness of support for ADEs?

As there are some overlaps between these questions, some have been consolidated for reporting.

2.2 EVALUATION SOURCES AND METHODS

Source	Method	Sample/ participation rate	Data quality
Supported employees	Productivity and wage assessments	<ul style="list-style-type: none"> Sample: All participating employees with complete assessments (n=379). 	<ul style="list-style-type: none"> The target number of supported employees had assessments completed. The supported employee sample was not intended to be representative for each ADE, but for the supported employee population across ADEs. Some issues with implementation of SWS assessments and/or wage grading for at least some supported employees may compromise the accuracy of results or mean that the same result would not be obtained in future. These are explored further in Section 5.
Supported employees	Semi-structured interviews supported by Easy Read documents	<ul style="list-style-type: none"> Response: 219/ 379 (58%) supported employees in the Trial were involved in face-to-face interviews. Site visits to 15 ADEs (20 outlets) in NSW, Vic, SA and WA were completed. Some interviews could not be completed (n=29) because: <ul style="list-style-type: none"> the supported employee was absent/ on leave on sick leave not working on the day did not want to be interviewed unable to attend the outlet/ site where the interviews were held 	<ul style="list-style-type: none"> When further interviews were not possible due to COVID-19 restrictions, it was decided by the Steering Committee that conducting interviews by Zoom or phone would be inappropriate for most supported employees as they can be stressful for supported employees, are difficult for interviewers to elicit information, and would add considerably to the Trial workload for sites. Also, delaying face to face interviews was deemed to not be practicable, as by the time the restrictions would ease, it would be too long after assessments were conducted for supported employees to recall the details. The sample of supported employees interviewed was broadly representative of the supported employees in the Trial in terms of disability type, and the interviews identified common themes. ADEs provided supported employees with an Easy Read reminder about the evaluation document ahead of interviews. The Trial consultants worked with ADEs to ensure individual supported employees' communication needs were understood and that supported employees could choose a support person to bring to their interview if they wanted. In practice, some supported employees had ADE staff as their

Source	Method	Sample/ participation rate	Data quality
		<ul style="list-style-type: none"> no longer working at the ADE. Visits to 13 ADEs (15 outlets) in NSW, Vic and Tas were cancelled due to COVID-19 restrictions so supported employees at these ADEs were not interviewed. 	<ul style="list-style-type: none"> support person because they did not have another support person to accompany them. Where this occurred, we checked with the supported employee that they wanted the staff member to accompany them. Supported employees had varying levels of understanding of how their wages are currently worked out, which made it hard for some to make sense of the differences compared to the new wage assessment structure. There were also varying levels of understanding of the new wage assessment structure. A small proportion of supported employees had not been informed of their Trial wage outcomes at the time of the interview, so could not provide their perspective on this. Supported employees found it difficult to comment on whether they would change their working hours if an increase in their wages would affect their DSP rate.
ADE Trial Coordinators and staff	Surveys	<ul style="list-style-type: none"> Response: 80/81 (99%) participating staff at ADE sites returned a survey (2 Trial Coordinators were not sent a survey because they were not involved in implementing the new wage assessment structure in the Trial). 	<ul style="list-style-type: none"> Surveys were individually distributed to ADE staff when they were due to complete the Trial. ADE staff were only asked survey questions relevant to their involvement in the Trial. Some ADE staff answered 'Don't know' to some survey questions. These responses are excluded from the denominator in percentage calculations. Responses were discussed in staff interviews. Staff participating in the Trial had varying familiarity with the new wage assessment structure. Some were involved in all components of the Trial, whereas others were only involved in particular parts. The evaluation focused on reporting responses from staff able to comment on components of the Trial they were involved in. Survey responses were discussed in ADE staff interviews and a few were adjusted when staff had changed their views since completing the survey.
	Semi-structured interviews	<ul style="list-style-type: none"> Sample: All Trial Coordinators and staff (n=83) involved in assessments. 	

Source	Method	Sample/ participation rate	Data quality
		<ul style="list-style-type: none"> Response: All Trial Coordinators at ADEs were interviewed (n=29).¹³ Response: All staff who were involved in assessments at each site were interviewed (n=54). 	<ul style="list-style-type: none"> Two Trial Coordinators were interviewed but not sent surveys as the survey was designed for staff conducting assessments and CEO/ management representatives.
ADE CEO/ management representatives	Survey	<ul style="list-style-type: none"> Sample: A management representative from all participating ADEs. Response: There was a response from all participating ADEs. Two ADEs had more than one management representative (one had 2 management representatives, and another had 3, so there were 31 responses). Representatives from different levels of management completed the survey based on the level of management involvement in the Trial. 	<ul style="list-style-type: none"> Surveys were individually distributed to ADEs when they were due to complete the Trial. ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial. Some representatives answered 'Don't know' to some survey questions. These responses are excluded from the denominator in percentage calculations. Management representatives had varying levels of involvement in the Trial, and their views on staff understanding of the new wage assessment structure tended to be more positive than staff views. Survey responses were discussed in CEO/ management interviews and a few were adjusted when representatives had changed their views since completing the survey. Management perceptions of the impact of the new wage assessment structure on viability may be distorted by the supported employee sample for the Trial, which was not representative of supported employees at each ADE. However, interviews provide a contextual understanding of the factors impacting viability and ADE managers' considerations in responding to the new wage assessment structure.
	Semi-structured interviews	<ul style="list-style-type: none"> Sample: A management representative from all participating ADEs. 	

¹³ While there were 28 ADEs, there were 29 Trial coordinators.

Source	Method	Sample/ participation rate	Data quality
		<ul style="list-style-type: none"> Response: There was a response from all participating ADEs. 2 ADEs had more than one management representative (one had 2 management representatives, and another had 3, so there were 31 responses). Some CEOs delegated the interview to those in a management position at the ADE, in some cases Trial Coordinators. 	
ADEs	Financial data survey	<ul style="list-style-type: none"> Sample: 28 ADEs (35 outlets). 	<ul style="list-style-type: none"> A range of other factors are impacting on ADE finances that cannot all be systematically identified through financial data. The 2 most important are: <ul style="list-style-type: none"> COVID-19 – which may have negatively or positively affected ADE cashflow. This would be most identifiable in 2020–21 financial data, which could not be included in the analysis as it was not complete in time for data collection. Changes to National Disability Insurance Scheme (NDIS) pricing, introduced on 1 July 2020. ADEs have until 31 December 2021 to transition to the new pricing framework. Balmoral Group Australia (BGA) identified the following quality checks on the data so unexpected results could be followed up: <ul style="list-style-type: none"> payroll/ turnover, SE payroll/ turnover low supported employee to total employee ratio large increases in payroll between FY18-19 and FY19-20 high payroll/ turnover ratio

Source	Method	Sample/ participation rate	Data quality
			<ul style="list-style-type: none"> potential confusion in responses from ADEs that were part of a larger organisation. One ADE was not able to provide their supported employee payroll breakdown. This was estimated by considering the average wage of SEs in the sample and using the data from a similar ADE as a reference point. While gaps and inconsistencies in the financial data provided by ADEs were followed up, there may be some remaining quality issues, which we were not able to identify.
Independent assessors	Survey	<ul style="list-style-type: none"> Sample: All independent assessors (n=36). Response: All 36 responded. 	<ul style="list-style-type: none"> Surveys were individually distributed to independent assessors when they had completed all assessments at assigned ADEs. All independent assessors were given the same survey questions and completed them. There were 7 assessors commenting on their experience across multiple ADEs in which they had conducted assessments. Interviewers were conscious to understand any differences in experience across ADEs.
	Semi-structured interviews	<ul style="list-style-type: none"> Sample: All independent assessors (n=36). Response: All 36 were interviewed – two of these were interviewed together. 	

2.2.1 SUPPORTED EMPLOYEE WAGE DATA ANALYSIS

Descriptive statistics were produced for the supported employee productivity wage, Wage Grade and wage outcomes, with the different modifications.

2.2.2 FINANCIAL ANALYSIS

Balmoral Group Australia (BGA) provided independent analysis to estimate the impact of the proposed new wage assessment structure on the financial risk of ADEs.

APPROACH TO MEASURING FINANCIAL RISK

While a range of factors (such as market share and concentration, remoteness, and company structure) influence viability, this analysis focuses on the wage/ turnover ratio as a measure of financial risk. The rationale for this is that:

- there is direct relationship between the new wage assessment structure and this measure of risk
- the ratio has a clear interpretation (i.e. the fraction of turnover that is used to pay wages)
- the ratio is stable over the short to medium term
- the data is readily available from ADEs in the sample.

ANALYSIS STEPS

BGA's analysis had 7 steps:

1. Assess quality issues with the ADE financial data.
2. Follow-up with ADEs to examine and refine any inconsistencies identified in step (1).
3. Explore descriptive statistics for wage changes by ADE size, location, industry and wage tool used. Outliers were identified but not excluded from the analysis, as this would have reduced the sample size and confidence in the findings.
4. Identify factors relevant to predicting the change in wages using an Ordinary Least Squares regression. The process for establishing the regression model was iterative – with the final model including ADE size, location, current wage tool used, wage grade, productivity and superannuation.
5. Set benchmarks for financial risk categories using the wage/ turnover ratios of ADEs in the sample that reported a surplus¹⁴ over the 2018-19 and 2019-20 financial years.
6. Build a financial model using the results of the regression and making assumptions about wage grading and productivity results and the financials out of the sample of ADEs to predict increases in the wage/ turnover ratio resulting from the new wage assessment structure.

¹⁴ A surplus is defined as a positive ratio of profit to revenue, averaged over the 2018-19 and 2019-20 financial years.

7. Compare the results from the financial model to the benchmarks to estimate the number of ADEs at financial risk within the sample and within the ADE population.

2.2.3 QUALITATIVE DATA ANALYSIS

All interview data collected during the Trial was analysed in the NVivo software against a qualitative coding framework developed based on the evaluation questions and a sample of interviews. The team had regular check-ins to review codes to ensure they were clear and fit for purpose. All coding decisions were recorded in a reference document to ensure ongoing inter-coder reliability. When coding was complete, codes were reviewed for consistency and any necessary recoding undertaken.

In reporting, we have not quantified the interview data – except for a couple of questions consistently asked of and answered by supported employees. For other interview data, this would misrepresent the semi-structured and exploratory nature of the interviews, which means that some stakeholders may have experienced issues that they did not raise with us. Instead, we have aimed to identify whether a perspective or issue was common or not and the extent to which it was shared or experienced across ADEs or stakeholders, as relevant to the particular question.

2.3 CONFIDENCE IN THE FINDINGS

We were able to implement the evaluation methods largely as intended and can report on all key evaluation questions with a level of confidence. However, there are a few key limitations.

SUPPORTED EMPLOYEE WAGE OUTCOMES

There were some **inconsistencies in the implementation** of the SWS and the wage grading process, which mean that if the proposed decision is implemented, wage outcomes for supported employees may ultimately be different to those in the Trial (discussed in further detail in Section 5).

- **Not timed on all major duties and tasks:** where a supported employee was not able to be timed on all duties (n=63), we cannot account for what difference this may have made to wage outcomes as it is not possible to know their 'productivity' level for this duty/duties and it was not always clear what proportion of time they spend on this duty/duties. We have included data for these supported employees in the analysis of wage outcomes and the economic model as it may reflect future implementation.
- **Simultaneous timings:** there were supported employees for whom the independent assessor and ADE took timings simultaneously for at least some of their tasks (n=70). These assessments have been excluded from the comparisons between independent assessor and ADE assessor productivity outcomes (as they were often identical), but included in the analysis of overall wage outcomes and the financial model.
- **Less than 3 timings:** there were some supported employees who were timed less than 3 times for one, some or all of their tasks (n=20). Data for these employees are included in the analysis as this may reflect future implementation.

- **Factors affecting perceived consistency and accuracy of productivity:** a range of other factors were also perceived as having an effect on productivity outcomes. These cannot be systematically accounted for and data is included in the analysis.
- **Wage grading:** several ADE staff reported difficulty in interpreting the *Wage Grade Assessment Guidance* document, and uncertainty in their selection of Wage Grades for supported employees. Further, ADEs did not provide comparable current Wage Grade data for supported employees, so a comparison between existing and Trial Wage Grades was not possible. However, we know the supported employees classed as Grade A and B had a change in Grade.

In interpreting the data on the extent of changes to wages, it should also be noted that the Fair Work Commission annual changes to minimum wages and superannuation – separate from the changes proposed through the new wage assessment structure – also affect wage outcomes from the Trial, which use the new minimum wage and superannuation rates.

FINANCIAL MODELLING

The BGA financial modelling is limited by the following factors:

- **The sample of ADEs** may differ from the general population of ADEs and supported employees. Although steps were taken to ensure the sample was broadly representative of the general population of ADEs, recruitment for the study may have resulted in a non-representative sample – as not all sample ADEs agreed to participate and there were 5 fewer ADEs in the sample than planned. Moreover, there are 41 organisations in the ADE population that either use their own wage tool, or their wage tool is unknown, and it is difficult to predict what wage differences for these organisations will be.
- **The quality of the Trial assessment data:** there were some issues with consistency of implementation of the new wage assessment structure (explained in Section 5).
- **The limitations of the financial data provided by ADEs**
 - While unexpected data was followed up and corrected, there remain some concerns about the quality of data provided.
 - The model uses 2018-19 and 2019-20 financial data, as 2020-21 financial data would not have been available at the time of collection. So, although the impact of COVID-19 has some impact on 2019-20 financial data, COVID-19 would have had further impact in 2020-21 and 2021-22.
 - Recent changes to NDIS pricing for supported employment will also be impacting ADE financials (anecdotally this may be having a positive or negative impact depending on a range of factors). Examination of these changes is outside the scope of this project.
- **Limitations to regression modelling.** Data constraints prevented BGA from including all factors that may be relevant to predicting changes to an individual's wage in their regression model. As such, the estimates produced by the regression model and used in the financial modelling should be interpreted with caution.
- **Limited information about ADEs outside of the sample**
 - Financial data is only available for ADEs in the Trial. The financial position of ADEs outside the Trial had to be assumed based on data for ADEs of a similar size and location to those in the Trial.

- Industry type was going to be used to estimate wage turnover ratios because these are expected to differ by industry, but industry data on the ADE population was too limited to do this. The majority of ADEs operate across multiple industries and it was unclear which was their primary industry.
- There is not data on employee characteristics for all ADEs, which might influence wage outcomes.
- Distribution of employees by Wage Grade at each ADE had to be assumed using Trial data (and there were concerns about accuracy of this).
- The population of ADEs operating under the *Supported Employment Services Award 2020* (the Award) had to be assumed as a list of organisations using the Award is not maintained – so the analysis may be over-estimating the number of ADEs and supported employees impacted.
- **Lack of a relevant external benchmark.** There is not a suitable external reference for wage/ turnover ratios that reflects the not-for-profit model of ADEs, against which to assess financial risk. Therefore, BGA developed benchmarks based on financial data for ADEs operating with a surplus.
- **Factors not considered in the model.**
 - Wage turnover/ ratio is only one indicator of risk. Exploring other indicators or risk was outside the scope of the Trial.
 - It is not possible to make accurate assumptions about the actions or combination of actions ADEs may take, including closing, cross-subsidising, or reducing employee numbers.
 - Actions supported employees might take due to their wages reaching a level at which their DSP would be affected was not factored into the model because it is not possible to make accurate assumptions about supported employee actions.

Qualitative data from ADE CEOs/ management representatives supplements the financial modelling by identifying concerns about viability and exploring the potential actions that ADEs would take in response to increased wages. However, it should be noted that the supported employees participating in the Trial from each ADE are not representative of all supported employees at that ADE. Therefore, the Trial data did not provide them a clear indication of the increase in wages at the ADE level likely to result from the new wage assessment structure.

SUPPORTED EMPLOYEE PERSPECTIVES

There are some limitations to the qualitative data from supported employees. While the intention was to interview all supported employees in the Trial, we were not able to do so due to COVID-19 restrictions in NSW and Victoria (however, those we spoke to are representative of the broader Trial sample, and consistent themes emerged from the interviews). Further, not all supported employees had a good understanding of the Trial or how their wages are currently calculated, which limited their ability to comment on the new wage assessment structure and their response to this.

Furthermore, we did not specifically seek to interview supported employees' families and/or support networks as the evaluation was focused on direct experience with the Trial of the new wage assessment structure. It is likely families:

- will have perspectives on the new wage assessment structure
- a role in helping supported employees to understand the new structure
- potentially an influence on supported employees' decision-making when their wages reach a level that interacts with their receipt of the DSP.

3. RESULTS – IMPACT ON SUPPORTED EMPLOYEES

3.1 WHAT IS SUPPORTED EMPLOYEES' UNDERSTANDING OF THE NEW WAGE ASSESSMENT STRUCTURE?



SUGGESTED TRANSITION ADJUSTMENTS ARE DISCUSSED IN SECTION 6.6

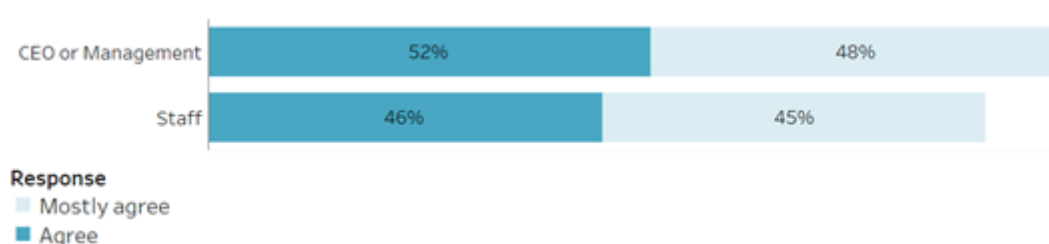
3.1.1 INFORMATION AND SUPPORT PROVIDED

Australian Disability Enterprises (ADEs) were responsible for providing information to supported employees and explaining the Trial, with support networks (e.g. families, carers, support workers) involved as required or desired by the supported employee.

Some staff delivered information to supported employees one-on-one using the Easy Read document about the Trial and evaluation, while others delivered the information as a group (including support networks) using the video and Easy Read documents as handouts. Some ADE staff also spoke of conducting information sessions or phone calls with supported employees' support networks. Two ADEs reported contacting independent advocacy organisations about the Trial, although only one ADE had an independent advocacy organisation visit to talk to supported employees about the Trial.

The majority of ADE staff (91%) and CEO/ management representatives (100%) felt they received enough information to explain the Trial to the supported employees.¹⁵

FIGURE 7. SUFFICIENCY OF INFORMATION TO EXPLAIN THE PROCESS TO SUPPORTED EMPLOYEES



*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

***Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

Most supported employees who spoke about the Easy Read documents found them easy to understand. However, almost all had support from their families, advocates and/or ADE staff

¹⁵ Full survey results in Appendix 3.

to understand them. Many of those who mentioned the video talking through the consent form liked it and found it easy to understand. Some said they had received the Easy Read documents but had not read them or forgot what they/ the ADE staff said, and a few did not remember receiving any information.

ADE staff had mixed views on the Easy Read documents. Some said how helpful they had been to talk through with supported employees and to send to families. Some did not express a view. A few said they were too long or needed to be better tailored to the supported employee or ADE (e.g. using words they commonly used or pictures that related to their work), and a few others noted supported employees appeared disinterested or were falling asleep when they were talking through the Easy Read documents or watching the video.

Many ADE staff noted they had simplified the information for supported employees and had taken the time to answer their questions or address any concerns they had after receiving the information – particularly about confidentiality, the impact on their Disability Support Pension (DSP) and reassuring them the Trial was designed to make things fairer and better for all supported employees. While all supported employees were given an Easy Read consent form to sign if they agreed to participate, a few staff members mentioned that they had not used the Easy Read documents to explain the Trial – generally because of the supported employee’s disability.

3.1.2 SUPPORTED EMPLOYEES’ UNDERSTANDING

Supported employees had varying levels of understanding of the Trial and the new wage assessment structure. In interviews, most supported employees said they did not understand, or appeared to not understand, and many had a limited understanding (that is, they understood they were being timed and it was about wages); however, there were also some who had a good sense of what the Trial was about.

Supported employees expressed various reasons for agreeing to participate in the Trial, which reflect different levels of understanding of the Trial and engagement with the concept. While many could not remember or could not elaborate on why they agreed:

- some participated to see what it was about
- some were interested because it may lead to wage changes for themselves and other supported employees
- some wanted to see how fast they were
- some wanted to show how well they worked or to build their skills.

The differing levels of understanding of the Trial was confirmed by ADE staff, who said:

- some supported employees weren’t aware they were being timed and/or didn’t understand
- some understood they were being timed but treated it like a game or asked when they’d get a pay rise
- others understood it was a Trial designed to help the Government make wages fairer.

A few independent assessors said some supported employees asked them lots of questions, while others didn't know they were there (because they were timing the supported employees discreetly or the supported employees weren't phased by their presence). According to ADE staff and independent assessors, the extent to which supported employees understood the Trial depended on their disability (e.g. people with psychosocial and physical disabilities understood it more than people with intellectual disabilities) and their prior experience with wage assessments or trials.

Very few supported employees interviewed had heard of the 2 new Grades (A and B), likely because this was not included in the Easy Read document for delivering wage outcomes, and staff may not have communicated this level of detail. According to staff who had mentioned the Wage Grades to the supported employees, this hadn't really resonated with them; they were more interested in their productivity and overall wage outcome.

Supported employees' understanding of the new wage assessment structure and its impact is also affected by their varying levels of understanding of how their wages are currently worked out. Most supported employees didn't understand or appeared to not understand how their wages are currently worked out. Some had a limited understanding – that is, they knew there were different levels/ Grades or that their wage depended on the type of job they do and how well they do it, or that it was calculated based on an assessment. Others had a good understanding, in that they knew they had regular assessments to determine what level they were on and this determined their wage (they also knew the level they were on and their wage). The few ADE staff who commented on supported employees' understanding of their current wages generally felt their understanding related to how much control they had over their own finances.

3.2 WHAT IS THE EXPERIENCE OF SUPPORTED EMPLOYEES IN HAVING THEIR PRODUCTIVITY AND WAGES ASSESSED THROUGH THE NEW STRUCTURE?

3.2.1 SUPPORT PROVIDED

The extent of support provided to supported employees during the assessments depended on their 'capability', the tasks on which they were assessed, their level of concern around being assessed and the ADE's views on how aware supported employees should be that they were being assessed. Support provided to supported employees included the following:

- **Reminders about the timings/ assessments:** some ADE staff reminded supported employees when they were scheduled to be timed and, for those who had forgotten about the Trial altogether, reminded them of the timings and why they were happening. Some supported employees reported they had only been reminded on the day of the assessment.
- **Meeting the independent assessor:** some supported employees met the independent assessor/s when they came to visit the ADE ahead of their assessments. Some ADE staff felt this worked particularly well as supported employees were more comfortable with the independent assessors by the time of their assessment – this was confirmed by

supported employees. Supported employees who were not introduced to the independent assessor or only met the assessor on the day of the assessment noted they would have liked to have been introduced earlier. Both ADE staff and independent assessors agreed that while meeting and interacting with the supported employees was important, the assessment process worked better when the independent assessors blended into the workplace and were discreet about the timings. In general, ADE staff felt the independent assessors had made the supported employees feel comfortable and at ease throughout the process, and were able to answer their questions or address their concerns.

- **Preparation for the timings:** ADE staff often set up the tasks the supported employees were to be timed on, explained the process, reminded them to work at their normal pace, and told them when to start and stop. However, some supported employees said they didn't need support to prepare for the tasks as they just worked as they normally would. According to staff, this was usually when they did not know they were being timed or the task did not need to be modified for the timing (e.g. group tasks made into individual tasks for the purposes of a timing). It also depended on how 'proactive' the supported employee usually is (e.g. whether they usually set the tasks up or retrieved more product when they ran out).
- **Other:** ADE staff spoke of providing ongoing encouragement during the timings and ongoing reassurance that it was a Trial and it would not affect their wages. This involved addressing supported employees' concerns and questions as they arose; checking in with them to make sure they were well/ not injured on the day of the timings and continued to be comfortable with the process; and creating a comfortable environment and relaxed atmosphere while the timings were taking place.

Overall, supported employees felt prepared for and supported during the wage assessments. Some supported employees interviewed did not remember the timings and/or the support they had received.

3.2.2 SUPPORTED EMPLOYEES' EXPERIENCE OF THE ASSESSMENTS

EXPERIENCE OF BEING TIMED BY ADE STAFF

Supported employees most commonly (n=50/111) **felt ok** about being timed by ADE staff, with most describing that it felt 'normal', 'fine' or 'ok'. They explained they weren't 'worried' or 'bothered' and just worked as they normally would. Some said they ignored the ADE staff timing them or did not notice or realise the staff member was timing them. Others said they were used to staff watching them work. One-off comments included: 'it didn't feel bad, just different'; they trusted the staff; and they 'just wanted to get it done'.

About one-third (n=37/111) of supported employees were **positive** about being timed by ADE staff. They said they did not feel at all nervous, or that they felt 'comfortable', 'calm' or 'relaxed'. The main reasons for this were that the staff had kept a comfortable distance or helped explain what to do, or that they knew the staff or had a good relationship with them. Some also said they were proud and excited to show how well they can do their job.

A small number (n=10/111) of supported employees were **uncertain** about how they felt as they could not remember the assessment, or (n=7/111) had **mixed** feelings. For example, they felt happy or comfortable and nervous at the same time, or they had initially felt stressed but became less so throughout the process.

A small number (n=7/111) had **negative** perceptions – they felt ‘nervous’, ‘anxious’ or ‘weird’ or that there was more pressure on them. This was largely because they knew they were being watched and timed; they felt there was a time limit; they felt they had to work to a higher standard (and therefore concentrate more); or the staff member stood too close.

In general, those without intellectual disability as their primary disability were less often positive.

EXPERIENCE BEING TIMED BY INDEPENDENT ASSESSORS

Supported employees most commonly (n=54/146) **felt ok** about being timed by the independent assessor. They described feeling ‘normal’, ‘fine’ or ‘ok’, with some explaining that they had not felt anxious or that the assessment did not feel ‘strange’ or ‘different’. They explained they weren’t ‘worried’ or ‘bothered’ and just worked as they normally would. Some said they pretended the independent assessor was not there, or they knew they were there but didn’t realise the independent assessor was timing them (largely because the assessor had kept a good distance or blended into the background). Others explained they were used to ADE staff and others (e.g. customers or executives) watching them work, and that it had just felt like a normal day.

A similar proportion (n=47/146) felt **positively** about being timed by the independent assessor. They said they did not feel at all nervous, or that they felt ‘comfortable’, ‘calm’, ‘relaxed’ or ‘good’. Some also went further to say they had felt ‘happy’, ‘enthusiastic’ and ‘confident’, and that the experience had been ‘fun’. The main reasons they gave were that the independent assessor had made them feel comfortable, reassured them they had done a good job and joked with them, and had kept a comfortable distance. Some also liked that the independent assessor had introduced themselves or commented that they had met them before. Others explained they knew how to do the job as it is what they normally do, or that ADE staff had already timed them so they knew what to expect. They also said they were proud and excited to show the independent assessor how well they can do their job.

A smaller proportion (n=19/146) of supported employees had **negative** perceptions about being timed by the independent assessor – this was a more common perception than for the timings by ADE staff. They described feeling ‘nervous’, ‘anxious’ or ‘weird’ or that there was more pressure on them. This was largely because they did not know the independent assessor, or they knew they were being watched and timed. Some also explained that this was because they could not see what the independent assessors were writing down or work out exactly what they were assessing them on. One supported employee described feeling ‘cranky’ because they could not concentrate properly with the independent assessor there.

A smaller number (n=17/146) of supported employees also had **mixed** perceptions about being timed by the independent assessor – this was a more common perception than for the timings by ADE staff. They said while they had initially felt nervous or uncomfortable, they

became more comfortable and the process had felt more normal as it progressed. Some also described feeling 'nervous', 'anxious' or 'embarrassed' because they were being watched and timed or because they didn't know the independent assessor, but 'ok' or 'good' at the same time. While some did not give a reason for this, others explained it was because the independent assessor had stood at a comfortable distance or that the ADE staff (who they knew well) were also there.

There was a small number (n=9/146) of supported employees who were **uncertain** about how they felt as they couldn't remember the assessment. In general, those without intellectual disability as their primary disability were less often positive.

GENERAL EXPERIENCE OF BEING TIMED

A small number (n=11) of supported employees spoke about the assessors in general, rather than specifically the ADE staff or independent assessor. Approximately half of these comments were positive. They explained they would be ok being timed once a year or that they had felt comfortable being timed. One said they felt it had been done 'the right way', and another said the person timing them had stood at a comfortable distance. One also commented that it felt like a normal day, so they felt confident.

Others who made general comments about the assessors were neither for nor against being timed, explaining that they did not mind and knew what to do as it was no different to normal.

3.3 WHAT CONCERNS DO SUPPORTED EMPLOYEES AND/OR THEIR NOMINEES HAVE ABOUT THE NEW WAGE STRUCTURE?

Most supported employees reported having **no concerns** about the new wage assessment structure and the transition. Although most did not comment further, a few provided a reason why.

It seems pretty reasonable and it's not too intrusive and it seems pretty fair.
[Supported employee]

Many ADE staff and independent assessors reported that supported employees generally did not express concerns with this new wage assessment structure. Some ADE staff mentioned that having provided comprehensive information on the Trial to the supported employees helped alleviate any potential anxiety or concern. A small number said having done similar assessments in the past, the supported employees were familiar and comfortable with the process.

A lot of prep work going into that, into making them feel comfortable. [ADE staff]

A small number of ADE staff said supported employees were proud and happy to participate in the Trial.

[If it is] going to be making a difference to other people with disabilities in the future.
[ADE staff]

3.3.1 FEELING ANXIOUS OR NERVOUS

ADE staff reported that some supported employees did not consent to participate in the Trial because they felt anxious, and others withdrew because they felt nervous or uncomfortable about being assessed or did not like the change in routine.

Some supported employees interviewed reported feeling anxious about being timed. Others were unsure about the process of the assessments and were therefore a bit nervous about participating. While one supported employee specifically said they felt anxious about the new wage assessment structure, they did not say why.

Some ADE staff said some supported employees seemed anxious about the new wage assessment structure – questioning why they were being timed or why they were being timed ‘again’; working faster than normal; or expressing concerns about the impact on their wage. Some said those who were anxious about the new wage assessment structure were those who are generally anxious. According to an ADE staff member, one supported employee, who was assessed remotely by the independent assessor using FaceTime, was concerned about the privacy of their information being recorded.

Eight independent assessors said some supported employees were anxious during the timings – wanting constant reassurance that they were ‘doing okay’. According to ADE staff, a couple of supported employees felt anxious when they were assessed in an unfamiliar environment (e.g. a training room). This was echoed by a small number of supported employees.

3.3.2 IMPACT ON THE DSP OR OTHER FUNDING

While the Trial communications documents, including the wage outcomes document, identified that wages would not change as a result of the Trial, several **supported employees** expressed concerns about the impact of the new wage assessment structure on their DSP. While some wanted more information about what the impact would mean for their DSP, others said they were particularly concerned about their DSP decreasing or losing access to entitlements attached to their DSP, such as rental assistance.

Some **ADE staff** and two **independent assessors** also commented on concerns that supported employees expressed about the impact of the new wage assessment structure on their DSP.

Some **ADE staff** (who did not report supported employees raising concerns about the DSP in the Trial) anticipated they would arise when the new wage assessment structure was implemented. Other ADE staff also mentioned that, while Trial participants may not have expressly raised concerns about their DSP, supported employees had these concerns in the past. Some cited examples of supported employees not going for open employment jobs or taking on the JobKeeper Payment because they were afraid of losing their ‘safety net’.

According to staff, concerns among supported employees' families are largely around what the new wage assessment structure will mean for the supported employees' DSP and other supports, working hours and the viability of the ADE. These concerns are reportedly more prominent among families who are more reliant on the supported employee's income. The interaction between supported employees' wages, DSP and working hours is further considered in Section 3.5.

A few ADE staff reported that among the supported employees that did not consent, some had concerns about the Trial and how it may affect their National Disability Insurance Scheme (NDIS) funding, even after they explained that it would not.

3.3.3 OTHER CONCERNS

Other varied concerns mentioned by a small number of **supported employees** were:

- the assessment only focused on how fast the supported employee worked and didn't take into account the quality of their work
- their work was impacted by the distraction of having a new face (independent assessor) doing the assessments
- those who had worked out efficiencies in the way they complete duties and tasks could not be assessed in this way as it was not how the benchmark was set.

ADE staff reported that other concerns some supported employees had about the new wage assessment structure were mostly:

- being annoyed they had to do each task 3 times, particularly if the timings happened one after the other (rather than over different days or times of day)
- feeling pressured or worried at being timed by someone they did not know.

Some also reported that they had to reassure supported employees about confidentiality and that the Trial was designed to make things fairer and better for all supported employees.

Additionally, **independent assessors** reported that supported employees had raised the following concerns with them:

- not really wanting to be involved because of their limited understanding of what was expected of them
- being nervous about being taken out of their normal work routine to be assessed
- not wanting to redo a task
- not feeling comfortable with a virtual assessment.

Those supported employees who had been told their wage outcome were generally accepting of this. All felt the Trial showed them how well they worked or at very least confirmed they worked how they thought they did. Some commented that doing timings to work out wages was a good idea.

Another concern expressed by ADE staff was that if their wage increases, some supported employees may need to submit a tax return.

3.4 HOW DOES EACH COMPONENT OF THE WAGE ASSESSMENT STRUCTURE IMPACT ON SUPPORTED EMPLOYEE WAGES?

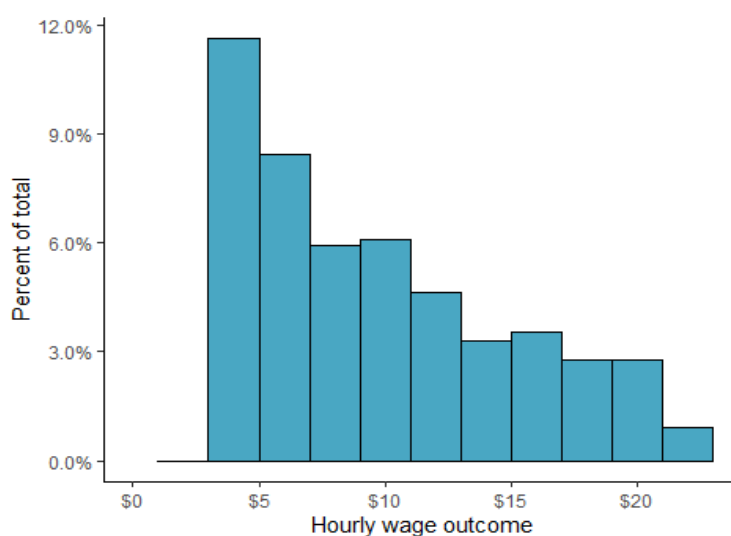


PROJECTIONS AND IMPACT ON ADES IS DISCUSSED IN SECTION 4

3.4.1 OVERALL WAGE OUTCOMES

Across the sample of supported employees in the Trial, the average **hourly wage** outcome was \$9.77. The minimum was \$3.59 (i.e. the new minimum wage) and the maximum was \$22.06. The median (the mid-point in the sample) hourly wage outcome was \$8.66 per hour and half of supported employees had an hourly wage outcome between \$5.10 and \$13.53 (see Table A38 and Figure 8 below). No supported employee would earn below their current wage as per the Fair Work Commission (FWC) preliminary decision.

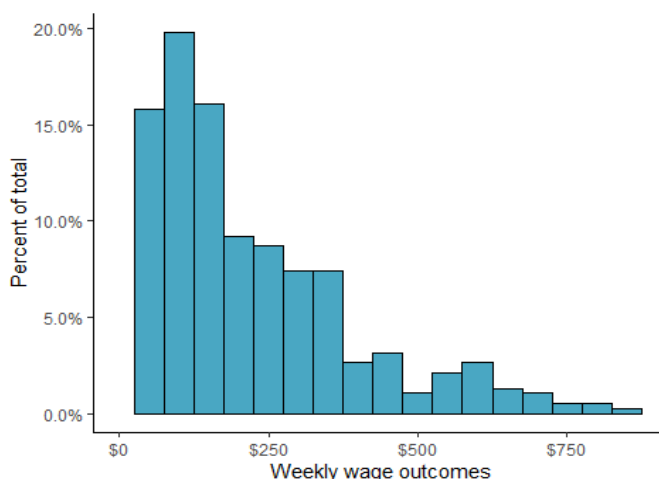
FIGURE 8. RESULTING HOURLY WAGE OUTCOMES – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

The average **weekly** wage outcome **excluding superannuation** was \$223.16. The minimum was \$12.56 and the maximum was \$825.36. The median weekly wage outcome was \$171.01 and half of the supported employees had a weekly wage outcome between \$94.24 and \$308.75 (see Table A50 and Figure 9).

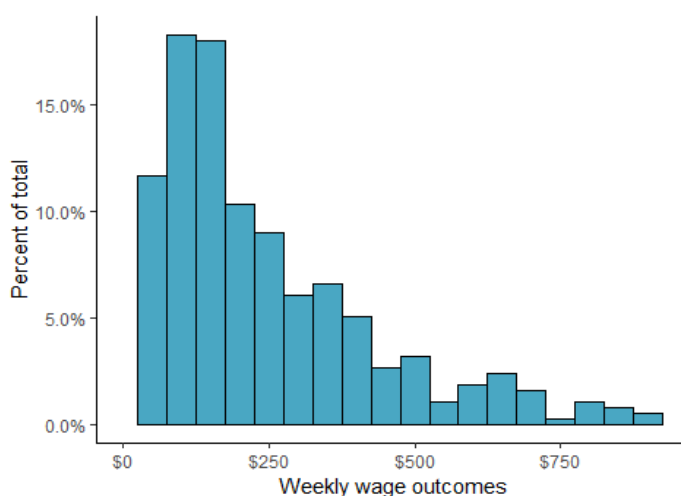
FIGURE 9. WEEKLY WAGE OUTCOMES EXCLUDING SUPERANNUATION – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

The average **weekly** wage outcome **including superannuation contributions** of 10% or \$15.00 per week (whichever is greater) was \$248.22. The minimum was \$27.56 and the maximum was \$907.90. The median weekly wage outcome was \$188.12 and half of the supported employees had an outcome between \$109.24 and \$339.62 (see Table A51 and Figure 10).

FIGURE 10. WEEKLY WAGE OUTCOME INCLUDING SUPERANNUATION – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

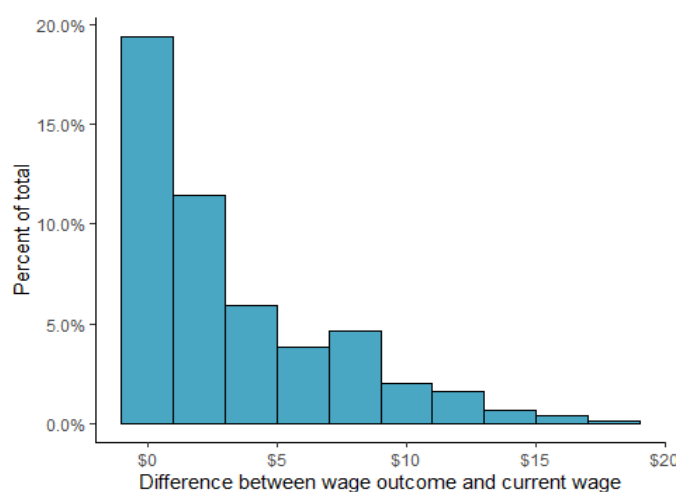


*Source: 2021 Trial assessment data.

3.4.2 DIFFERENCES FROM CURRENT WAGES

The average difference between supported employees' **current hourly wage** and the **resulting hourly wage** outcome in the Trial was \$3.26. The minimum difference was \$0 (due to the current wage floor) and the maximum was \$18.67. The median difference was \$1.74 and for half of the supported employees, the difference between current wage and the Trial wage outcome was between \$0.05 and \$5.09 (see Table A52 and Figure 11). It should be noted that the increases to superannuation and minimum wages as of July 2021 are included in this difference.

FIGURE 11. DIFFERENCE BETWEEN CURRENT WAGE AND HOURLY WAGE OUTCOME - 50:50 ASSESSMENT WITH CURRENT WAGE FLOOR AND MINIMUM WAGE FLOOR



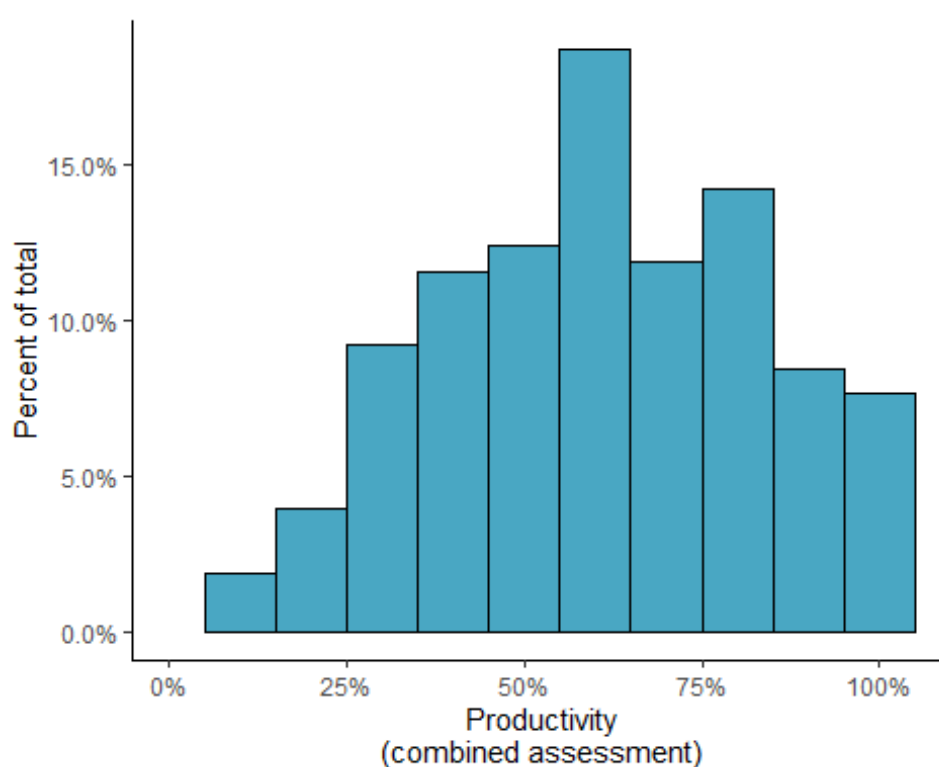
*Source: 2021 Trial Assessment data.

3.4.3 HOW THE DIFFERENT ELEMENTS OF THE NEW WAGE STRUCTURE IMPACT WAGE OUTCOMES

OVERALL PRODUCTIVITY

The **average overall productivity outcome** was 61% (the combined 50:50 weighting between the internal and independent assessor). The minimum productivity outcome was 8%¹⁶ and the maximum productivity outcome was 100%. The median productivity outcome was 62%, and half of the supported employees had a productivity outcome between 44% and 78% (see Table A16 and Figure 12).

FIGURE 12. OVERALL PRODUCTIVITY OUTCOMES – 50:50



*Source: 2021 Trial assessment data.

¹⁶ Note that the current Award includes a 12.5% minimum productivity rating, but did not need to be factored into the current analysis due to the \$3.59 minimum wage floor. See A2.4 for number of supported employees that received a productivity rating <12.5%

WAGE GRADES

Most supported employees in the Trial were either classified into Grade A, B or 2. No supported employees were classified into Grades 5, 6 or 7.

TABLE 2. OVERALL WAGE GRADE OUTCOMES

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
N	133	108	9	103	18	8	379
%	35%	28%	2%	27%	5%	2%	99%

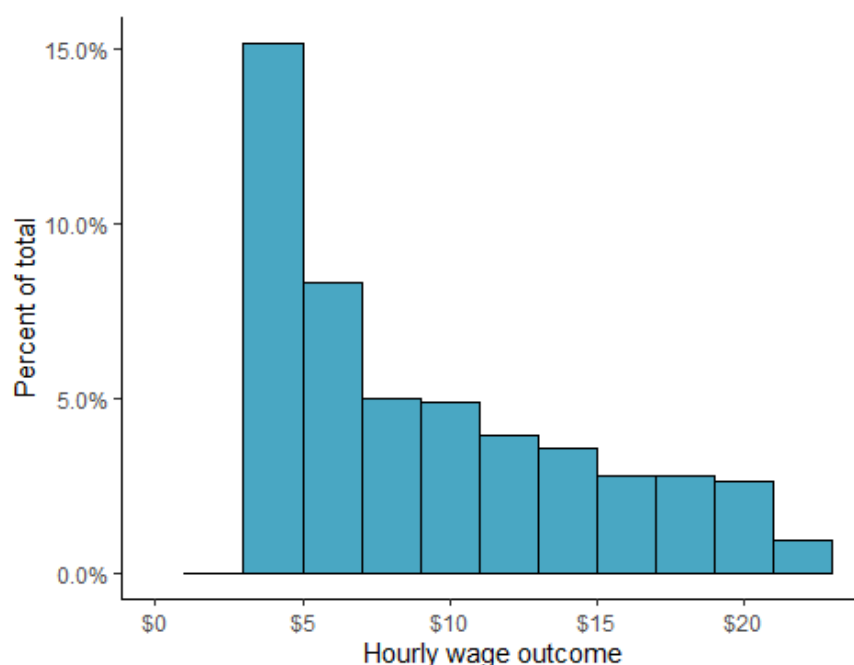
*Source: 2021 Trial assessment data.

**Note: Total percentage may sum to less than 100% as percentages are rounded to the nearest whole number.

WAGE WITH MINIMUM WAGE FLOOR, WITHOUT CURRENT WAGE FLOOR

The average supported employee hourly wage outcome if the current wage floor was not implemented was \$9.24. The minimum outcome was \$3.59 and the maximum \$22.06. The median outcome was \$7.61 and half of the supported employees had an hourly wage outcome between \$4.43 and \$13.25 (see Table A42 and Figure 13).

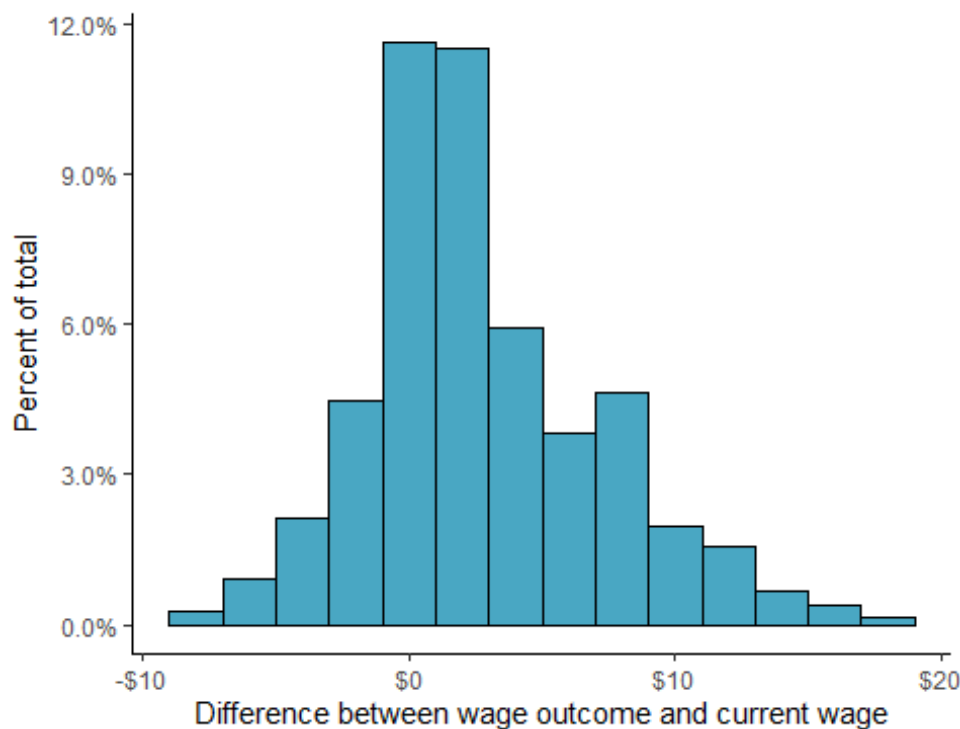
FIGURE 13. HOURLY WAGE OUTCOMES – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR, WITHOUT CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

The median difference between supported employees' current hourly wage and the resulting hourly wage outcome in the Trial with the minimum wage floor but without the current wage floor was \$1.70; the maximum was \$18.67 (see Table A53 and Figure 14).

FIGURE 14. DIFFERENCE BETWEEN CURRENT WAGE AND HOURLY WAGE OUTCOME - 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR, WITHOUT CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

For the majority of supported employees in the Trial (n=286, 75%), the wage outcome would have been equal to or greater than their current wage (with the minimum wage floor) (see Table 3).

TABLE 3. SUPPORTED EMPLOYEES WITH WAGE OUTCOMES LOWER THAN CURRENT WAGE

Wage outcome	N	%
Wage outcome equal to or greater than current wage	286	75%
Wage outcome less than current wage	93*	25%
Total	379	100%

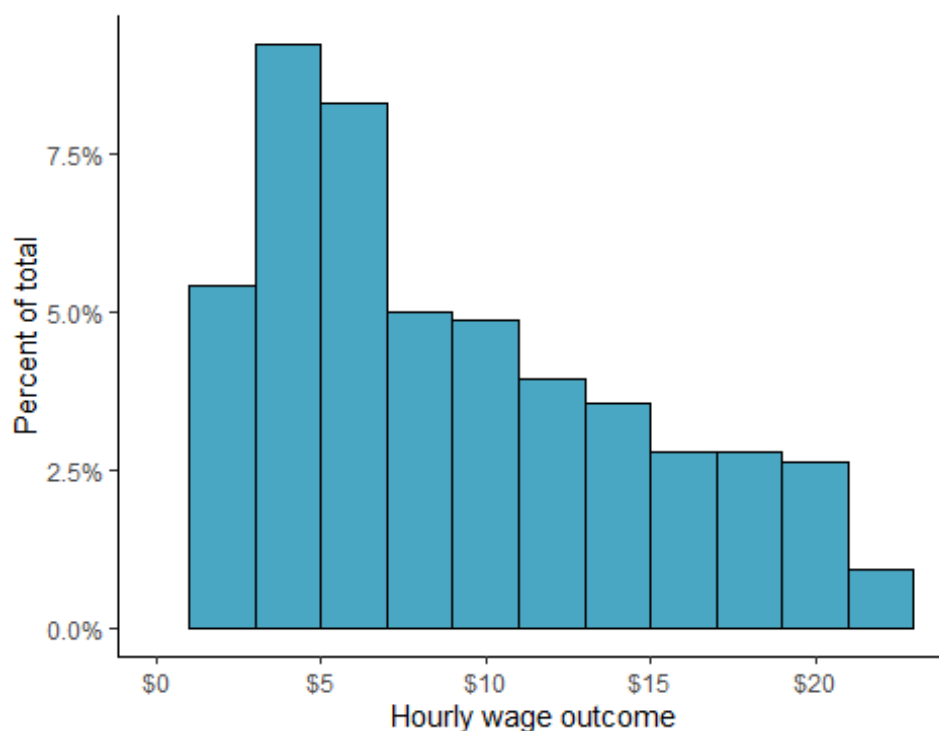
*Source: 2021 Trial assessment data. Includes minimum wage floor.

*See Appendix 2 for a further breakdown of this cohort.

WAGE WITHOUT MINIMUM OR CURRENT WAGE FLOOR

Without the minimum wage floor or the current wage floor, the average hourly wage outcome was \$9.05, the minimum wage outcome was \$0.70 and the maximum wage outcome was \$22.06. The median wage outcome was \$7.61 and half of the supported employees had an hourly wage outcome between \$4.43 and \$13.25 (see Table A41 and Figure 15).

FIGURE 15. HOURLY WAGE OUTCOMES – 50:50 ASSESSMENT AND NO WAGE FLOOR



*Source: 2021 Trial assessment data.

Without the minimum wage floor and without the current wage floor, 16% (n=62) of supported employees in the sample would earn less than \$3.59.

TABLE 4. NUMBER OF SUPPORTED EMPLOYEES WHO WOULD BE MAKING LESS THAN THE MINIMUM WAGE WITHOUT THE MINIMUM WAGE FLOOR

Wage outcome	50:50	
	N	%
\$3.59 or more	317	84%
Less than \$3.59	62	16%
Total	379	100%

*Source: 2021 Trial assessment data.

SUPERANNUATION OUTCOMES

Over half of the supported employees in the sample had a superannuation outcome of \$15 per week or above (see Table 5).

TABLE 5. SUPPORTED EMPLOYEES WITH SUPERANNUATION OUTCOME BELOW SUPERANNUATION FLOOR, 50:50 ASSESSMENT, WITH MINIMUM WAGE FLOOR AND WITH CURRENT WAGE FLOOR

Wage outcome	N	%
Superannuation outcome \$15 or above	207	55%
Superannuation outcome below \$15 superannuation floor	172	45%
Total	379	100%

*Source: 2021 Trial assessment data.

3.4.4 DIFFERENCES BETWEEN INTERNAL AND EXTERNAL ASSESSMENTS

Some internal and independent assessors conducted timings simultaneously (see Section 5.3.1 for details). As these would not represent the difference between internal and external assessments, supported employees with simultaneous timings are excluded from analysis comparing the 2 types of assessments.

DIFFERENCE IN PRODUCTIVITY BETWEEN INTERNAL AND EXTERNAL ASSESSMENTS

There was limited overall variation between internal and external productivity assessments (see Table 6).

TABLE 6. PRODUCTIVITY OF SUPPORTED EMPLOYEES IN TRIAL

	Internal assessments (ADE staff)	External assessments
Mean	58%	59%
Median	59%	59%
Std Dev	23%	23%
Minimum	7%	8%
Maximum	100%	100%

*Source: 2021 Trial assessment data.

**Note: Includes 309 supported employees, as supported employees with simultaneous timings (n=70) in their assessments were excluded.

Across the sample, 51% of supported employees had a higher productivity outcome from the assessment completed by the independent assessor, while 46% had a higher outcome from the ADE staff (see Table 7).

TABLE 7. SUPPORTED EMPLOYEES WITH A HIGHER PRODUCTIVITY FROM INTERNAL OR EXTERNAL ASSESSMENTS

Productivity differences	N	%
Higher productivity from external assessment	158	51%
Higher productivity from internal assessment	142	46%
Internal and external productivity the same	9	3%
Total	309	100%

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings in their assessments were excluded.

For nearly half the sample, the difference between internal and external was within + or – 5% (see Table 8).

TABLE 8. INTERNAL AND EXTERNAL PRODUCTIVITY ASSESSMENT DIFFERENCES +/- 5%

Productivity differences	N	%
Productivity difference greater than +/-5%	162	52%
Productivity difference within +/-5%	147	48%
Total	309	100%

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings in their assessments were excluded.

For 91% of the supported employees, the internal and external productivity assessments were within + or – 20% (see Table 9).

TABLE 9. INTERNAL AND EXTERNAL PRODUCTIVITY ASSESSMENT DIFFERENCES +/- 20%

Productivity differences	N	%
Productivity difference greater than +/-20%	29	9%
Productivity difference within +/-20%	280	91%
Total	309	100%

*Source: 2021 Trial assessment data.

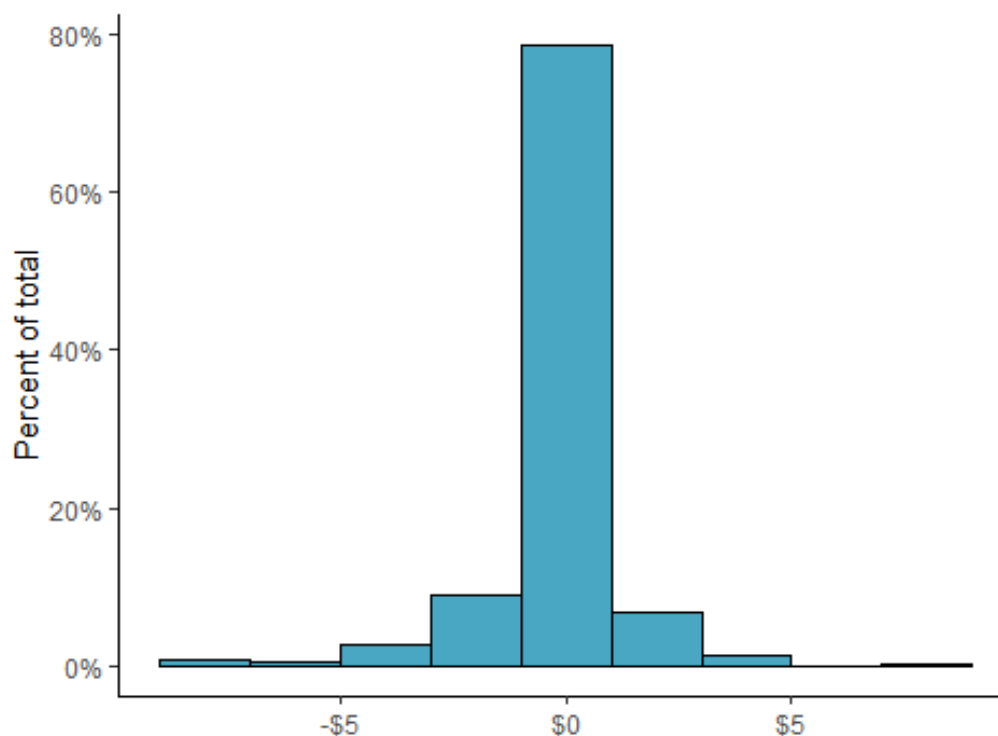
**Note: Supported employees with simultaneous timings in their assessments were excluded.

WAGE OUTCOMES IF INTERNAL OR EXTERNAL ASSESSMENT ONLY

Difference in wage outcomes for internal and external assessment was calculated as the internally assessed wage outcome minus externally assessed wage outcome. As such, all positive differences in wage outcomes are where the internally assessed wage outcome was greater than the externally assessed wage outcome, and all negative differences in wage outcomes are where the externally assessed wage outcome was greater than the internally assessed wage outcome.

The average difference in wage outcomes between internal and external assessments was - \$0.23. The minimum was -\$7.94 and the maximum was \$7.37. The median difference was \$0 and half of the supported employees fell between -\$0.55 and \$0.20 (see Table A55 and Figure 16).

FIGURE 16. DIFFERENCE BETWEEN INTERNAL AND EXTERNAL ASSESSMENTS WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR



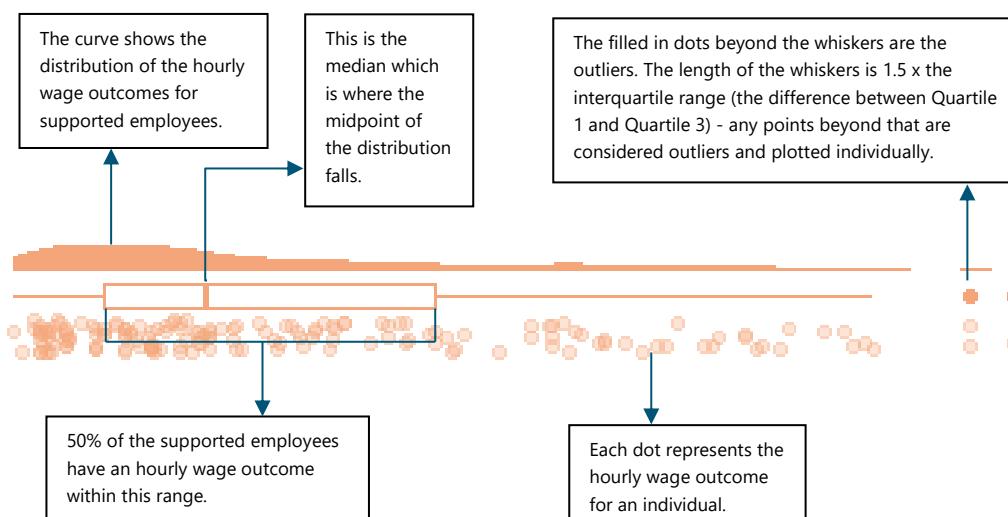
*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

3.4.5 DIFFERENCES BY DEMOGRAPHIC CHARACTERISTICS

Differences in hourly wage outcomes for supported employees have been analysed by demographic characteristics.

FIGURE 17. GRAPH EXPLANATION – READING THESE FIGURES



PRIMARY DISABILITY TYPE

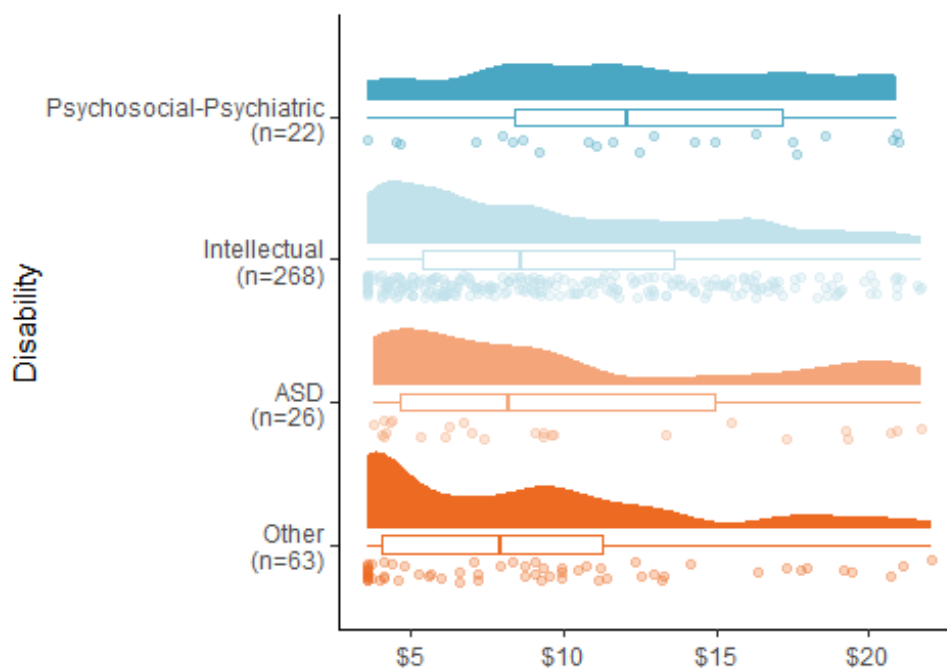
Supported employees with a psychosocial or psychiatric disability had a median hourly wage outcome of \$12.07. Half of the supported employees with this type of disability had an outcome between \$8.33 and \$17.46.

The median hourly wage outcome for supported employees with an intellectual disability was \$8.58, with half of those receiving an hourly wage outcome between \$5.42 and \$13.62.

Supported employees with Autism Spectrum Disorder (ASD) had a median hourly wage outcome of \$8.24; half of this group received between \$4.40 and \$15.48.

Supported employees with a primary disability type classed as 'other' had a median hourly wage outcome of \$7.93. Half of these supported employees had an outcome between \$4.00 and \$11.42.

FIGURE 18. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY PRIMARY DISABILITY TYPE



*Source: 2021 Trial assessment data.

CURRENT WAGE

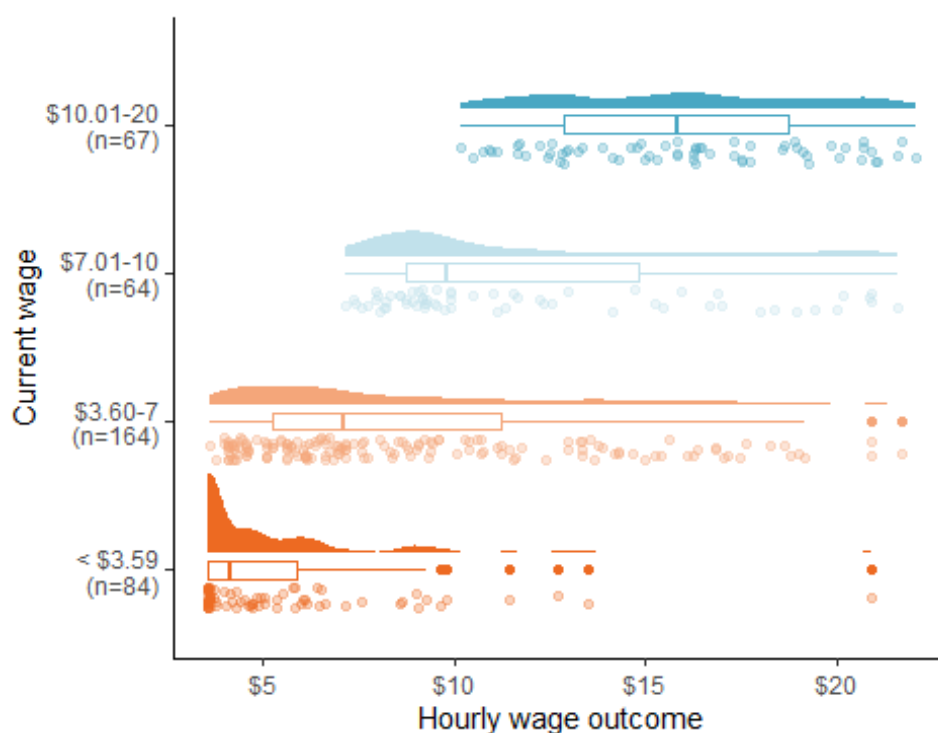
The median outcome for supported employees who currently earn less than \$3.59 was \$4.17. Half of these supported employees had an hourly wage outcome that fell between \$3.59 and \$5.91.

Supported employees who currently earn between \$3.60 and \$7.00 had a median hourly wage outcome of \$7.12. Half of those supported employees had an hourly wage outcome that fell between \$5.26 and \$11.23.

Supported employees who currently earn between \$7.01 and \$10 had a median hourly wage outcome of \$9.82. Half of those had an outcome that fell between \$8.75 and \$14.99.

Those supported employees whose current wage falls between \$10.01 and \$20.00 had a median hourly wage outcome of \$15.86 with half of them receiving an outcome between \$12.87 and \$18.89.

FIGURE 19. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY CURRENT WAGE



*Source: 2021 Trial assessment data.

GENDER

The median outcome for male supported employees was \$9.05. Fifty per cent of male supported employees had an hourly wage outcome that fell between \$5.57 and \$15.03.

The median outcome for female supported employees was \$8.16. Fifty per cent of female supported employees had an hourly wage outcome that fell between \$4.59 and \$11.60.

FIGURE 20. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY GENDER



*Source: 2021 Trial assessment data.

AGE

The median hourly wage outcome for supported employees older than 55 was \$8.82 and half had an outcome between \$4.59 and \$13.86.

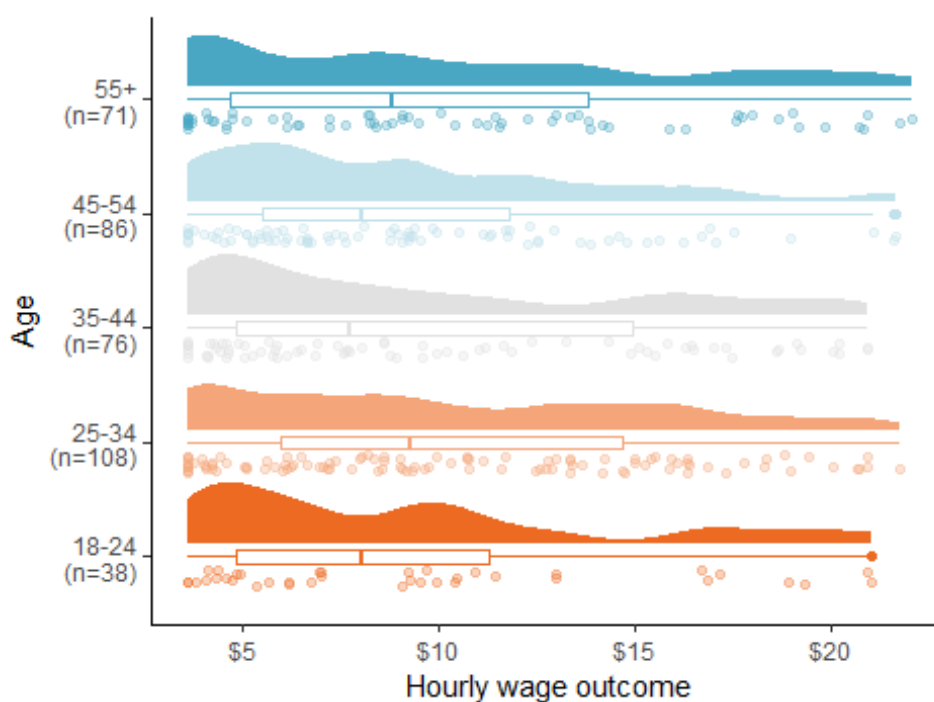
Supported employees aged between 45 and 54 had a median hourly wage outcome of \$8.00, and half had an hourly wage outcome that fell between \$5.45 and \$11.78.

Supported employees aged between 35 and 44 had a median hourly wage outcome of \$7.70 and half had an hourly wage outcome that fell between \$4.76 and \$14.99.

The median hourly wage outcome for supported employees aged between 25 and 34 was \$9.24, and half had an hourly wage outcome that fell between \$5.91 and \$14.69.

The median outcome for supported employees aged between 18 and 24 was \$8.03, and half had an hourly wage outcome that fell between \$4.82 and \$11.42.

FIGURE 21. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY AGE GROUP



*Source: 2021 Trial assessment data.

START DATE (YEAR)

Supported employees that started working at their current ADE between 1959 and 1990 had a median hourly wage outcome of \$6.75 and half of those supported employees received an outcome between \$4.64 and \$10.41.

Those supported employees that started during the years 1991 and 2000 had a median hourly wage outcome of \$5.96 and half received an outcome between \$5.08 and \$10.58.

Those supported employees that started employment at their current ADE between 2001 and 2010 had a median of \$9.08 and half had an hourly wage outcome between \$5.10 and \$14.30.

The median hourly wage outcome for supported employees that started between 2010 and 2021 was \$9.24, and half received an outcome between \$5.63 and \$14.74.

FIGURE 22. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY START YEAR



*Source: 2021 Trial assessment data.

3.5 DO SUPPORTED EMPLOYEES INTEND TO CHANGE THEIR WORKING ARRANGEMENTS IF THERE ARE IMPACTS ON THEIR WAGES? HOW?

3.5.1 IMPACT ON DSP

The analysis shows that an extra 13% of supported employees would earn a wage of greater than \$180 per fortnight, the level at which their DSP would begin to be affected.¹⁷

TABLE 10. RELATIONSHIP BETWEEN CURRENT AND TRIAL WAGE OUTCOMES AND THE DSP BEING REDUCED

	Current wage		Trial outcome	
	N	%	N	%
> \$180 per fortnight, DSP reduced	237	63%	289	76%
< \$180 per fortnight, DSP unaffected	142	37%	90	24%
Total	379	100%	379	100%

*Source: 2021 Trial assessment data.

No supported employees would earn a wage that would mean they would no longer be eligible for the DSP.

TABLE 11. EMPLOYEES THAT WOULD EARN AT A LEVEL THAT WOULD RESULT IN INELIGIBILITY FOR DSP

	N	%
< \$2085.40 per fortnight, DSP received	379	100%
Total	379	100%

*Source: 2021 Trial assessment data.

**Note: No one currently earns at this level.

¹⁷ There are many complexities to how the DSP is calculated that cannot be built into this analysis. This analysis uses the DSP rate for singles, while 6.7% of people on the DSP who earn income from an ADE are partnered (and their DSP would be affected at a different combined income level). We have made the calculation of the percentage of people who would earn a wage (excluding superannuation) at which the DSP would begin to taper and how many would earn a wage at which they would no longer be eligible for the DSP. The maximum rate at which a person would no longer qualify for the DSP may be higher if Rent Assistance is also received but since no-one reached this wage level, this did not need to be considered in the analysis. The Work Bonus, which applies to those over the Age Pension age (currently 66.5 years), is not incorporated into the analysis.

3.5.2 INTENTIONS ABOUT WORKING HOURS

Over half of all supported employees who spoke of the impact of a change in wages on their working hours indicated that if the new assessment structure impacted on their wages, they would not change their working arrangements – they **would work the same or not less**. Reasons for this were:

- they are happy with the number of hours they currently work
- they really enjoy the work they do and the people they work with
- work keeps them busy
- they would be earning more money.

A few said they couldn't work more due to health issues. Only a small number of supported employees explicitly said they weren't concerned if their DSP decreased because of a wage increase. A small number were also aware that even if their DSP was reduced because their wage increased, they would probably have more money overall.

About a third of supported employees interviewed said they were **unsure** about whether they would change their working arrangements if their DSP was affected, and 37 others didn't answer this question. Several said they were unsure because a family member or support person looks after their wages and their DSP. A few wanted more information about the impact of higher wages on their DSP before they could make a decision about any changes to work hours.

Several supported employees said if their wage increased and their DSP went down under the new way of working out their wages, they would want to **work less hours**. Many did not explain why, though some said they were concerned they might also lose the benefits attached to their DSP. A small proportion said they would work less hours so they could have more time pursuing other interests.

Some ADE staff felt that supported employees may misunderstand the overall impact of higher wages and reduced DSP.

[There] could be a fundamental lack of understanding that, you know, they wouldn't be worse off, in fact they'd be better off. [ADE staff]

Some ADE staff members said in the past when supported employees earned higher wages, they had decreased their working hours or left their employment altogether to ensure their DSP was not affected. If this happens, it may also affect an ADE's ability to fulfil contracts (discussed also in Section 4).

A few ADE staff members also talked about the difficulty in reapplying for the DSP and the safety net it provides, and concerns some supported employees had about lodging a tax return, as being motivating factors to stay on it.

A small proportion of supported employees said if their wage increased and their DSP decreased under the new wage assessment structure, they would want to **work more hours**. It was unclear if some of these supported employees wanted to work more hours anyway (regardless of the impact of higher wages), with a couple saying they like to work and to

keep busy. Some supported employees explicitly said they want to earn higher wages and it does not worry them if this means their DSP decreases. One supported employee said they enjoyed earning money so would work more if paid more (and were not concerned about the impact on their DSP).

I want to have more money overall, but don't really care if it's wages or the pension.

[Supported employee]

4. RESULTS AND PROJECTIONS – IMPACT ON ADES



SUGGESTED IMPROVEMENTS TO MITIGATE FINANCIAL IMPACTS DISCUSSED IN SECTION 6.3.5

4.1 THE CURRENT FINANCIAL POSITION OF ADES

Examination of publicly available annual reports¹⁸ indicates that many Australian Disability Enterprises (ADEs) in the sample were already at some level of financial risk prior to the introduction of the new wage assessment structure. For example, from Table 12 we can see that, among the 23 ADEs we have this information for, 4 ADEs were in deficit¹⁹ and the remaining 19 had an average profit to revenue ratio of 6%. This indicates that ADEs have limited room to accommodate additional costs before the new wage assessment structure is introduced.

TABLE 12. FINANCIAL STATEMENT ADE PROFIT/ DEFICIT

	Number of ADEs	Average Profit (Surplus/ Deficit)
ADEs in surplus	19	6%
ADEs in deficit	4	-2%

*Source: ADE publicly available financial reports for 23/28 ADEs in the sample. Average profit is calculated over the FY19 and FY20.

ADEs in the Trial sample also have high payroll/ turnover ratios – with wages above two-thirds of turnover on average (i.e. more than two-thirds of the typical ADE's revenue is used to pay wages). At face-value, this suggests that ADEs have limited capacity to absorb an increase in wages. However, it is important to bear in mind that the new wage assessment structure only impacts supported employees. The financial risk faced by a given ADE is, therefore, a function of:

1. the size of the increase in wages
2. the number of supported employees
3. the ADE's capacity to absorb the wage increase.

¹⁸ Which we were able to obtain for 23 of the 28 ADEs in the sample.

¹⁹ A deficit is defined as a negative ratio of profit to revenue, averaged over the financial years 2018-19 and 2019-20.

On average, supported employees constitute 71% of all employees in ADEs in the Trial. While supported employee payroll makes up a lower proportion of turnover than payroll for other employees, this does suggest ADEs will be particularly sensitive to wage increases.

TABLE 13. ADE PAYROLL/ TURNOVER

	Two-year Average	FY19	FY20
Payroll/ Turnover	68%	65%	70%
Supported Employee Payroll/ Turnover	21%	19%	23%

*Source: ADE financial survey – 28/28 ADEs in the trial sample. Note this includes firms with a deficit.

4.1.1 FINANCIAL POSITION BY FACTORS OF INTEREST

The evaluation was tasked with understanding whether ADEs in different industries of different sizes, in different locations and using different existing wage tools may be more at risk. This question is initially considered based on their proportion of supported employees and their wage turnover ratios. These data are not reported by industry as ADEs operate across multiple industries and it is unclear what proportion of supported employees work in what industry.

LOCATION

From Table 14 we can see that supported employees make up a higher proportion of employees in ADEs in metropolitan areas (76%). This suggests that metropolitan firms have the highest financial exposure to supported employee wage changes. That said, the range in the share of supported workers between all 3 geography types is relatively small (67% to 76%), suggesting that ADEs could be at financial risk due to the new wage assessment structure, irrespective of geography.

TABLE 14. NUMBER OF WORKERS BY LOCATION FOR SAMPLED ADES

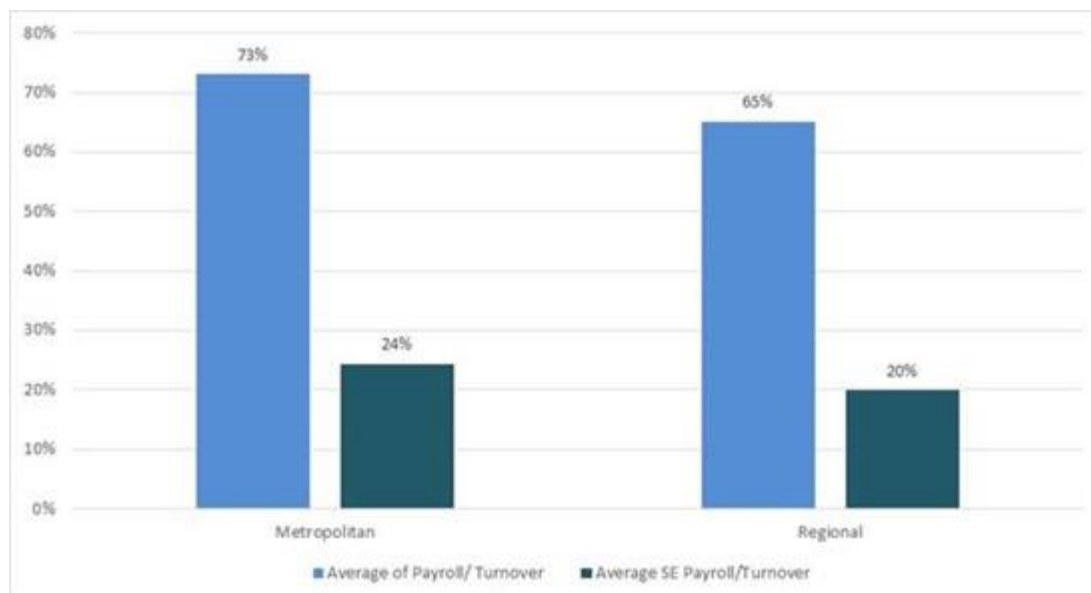
Location	Total ADE Workers	Supported employees-ADE	SE/Total ADE workers
Metropolitan	4,671	3,567	76%
Regional	3,556	2,746	67%
Remote	Not reported**		

*Source: ADE financial survey.

**Note: Not reported as there was only one remote ADE in the sample and 3 in the population.

Metropolitan ADEs have the highest payroll/ turnover, for both supported employees and total payroll. This suggests that metropolitan firms have the highest financial exposure to supported employee wage changes.

FIGURE 23. SAMPLED ADE'S WAGE/ TURNOVER RATIOS BY ADE LOCATION



*Source: ADE financial survey. Note this includes firms with a deficit.

SIZE²⁰

From Table 15 we can see that large ADEs have the largest percentage of supported employees to total employees. This suggests that large ADEs have the highest financial exposure to supported employee wage changes.

TABLE 15. NUMBER OF WORKERS BY SIZE FOR SAMPLED ADES

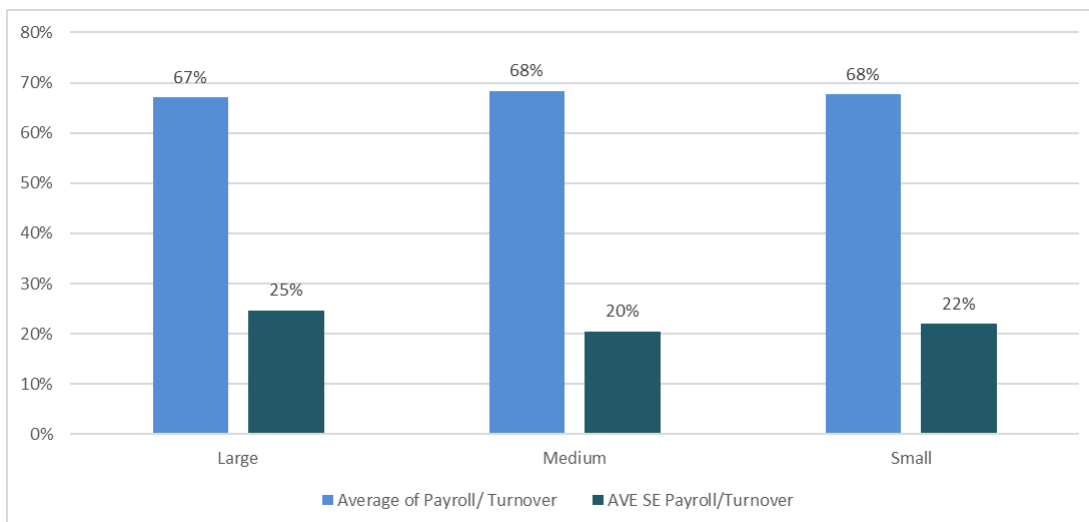
ADE Size	Total ADE Workers	Supported employees-ADE	SE/Total ADE workers
Large	4,882	4,099	82%
Medium	3,192	2,131	71%
Small	186	106	63%

*Source: ADE financial survey.

²⁰ Using ABS definitions: Small less than 20 employees; Medium 20–199 employees; Large more than 200 employees.

The average payroll to turnover is consistent across ADE size. Although medium size ADEs have a slightly higher total payroll ratio to turnover, they have the lowest ratio for supported employees.

FIGURE 24. SAMPLED ADE'S WAGE/ TURNOVER BY ADE SIZE



*Source: ADE financial survey. Note this includes firms with a deficit.

4.1.2 OTHER FACTORS AFFECTING FINANCIAL RISK

The majority of ADEs in the Trial reported having viability concerns prior to the introduction of the new wage assessment structure. These concerns include:

- **The National Disability Insurance Scheme (NDIS) and changes to NDIS pricing:** Comments about the NDIS varied. Some ADE staff mentioned having made changes to their organisation to support their viability in an NDIS context; others mentioned concerns about the impact of recent changes to NDIS pricing, the uncertainties about pricing in the NDIS context or unfunded time in an NDIS context.
- **COVID-19:** ADE staff commonly mentioned the pandemic and associated restrictions had negatively affected their business. These included ADEs in administrative and support services, transport, postal and warehousing, manufacturing, accommodation and food services, agriculture services, recycling, and laundries and retail.
- **Other issues** mentioned by a small number of ADEs were:
 - changes in technology and production affecting the business
 - being expected to offer cheap prices because they are not perceived as a commercial enterprise
 - having an ageing workforce and challenges attracting younger employees.

A small number noted the Supported Wage System (SWS) subsidy paid by the Department of Social Services had helped their organisation remain viable in the past.

Twenty of the 28 ADEs in the Trial reported being part of a larger organisation, which may also impact their viability, but the financial structures of larger organisations were not explored in detail in the Trial.

4.2 DESCRIPTIVE ANALYSIS OF THE CHANGE IN WAGES

This section describes the change in wages for supported employees in the Trial sample across 4 variables: industry category, location, size, and current wage tool used at the ADE. This data is reported excluding superannuation, while the subsequent analysis in this Section includes superannuation as this needs to be considered when analysing the impact of the new wage assessment structure on ADE financials.

4.2.1 INDUSTRY CATEGORY

Based on Trial assessment data for the sample, those in Gardening, Agriculture, Forestry and Fishing would receive higher wage increases; while those in Retail Trade, Transport, Postal and Warehousing, Administrative and Support Services would receive lower increases.

TABLE 16. DIFFERENCE IN WAGE OUTCOME (EXCLUDING SUPERANNUATION) BY INDUSTRY

Industry	N	Mean	Median	Minimum	Maximum
Accommodation and Food Services	6	\$3.94	\$3.60	\$0.00	\$8.52
Administrative and Support Services	8	\$0.56	\$0.32	\$0.00	\$1.57
Agriculture, Forestry and Fishing	19	\$4.82	\$2.89	\$0.00	\$15.82
Gardening	9	\$5.18	\$6.20	\$0.00	\$9.43
Manufacturing	196	\$3.58	\$1.93	\$0.00	\$14.46
Other Services	109	\$3.19	\$1.95	\$0.00	\$18.67
Retail Trade	6	\$0.00	\$0.00	\$0.00	\$0.00
Transport, Postal and Warehousing	23	\$0.70	\$0.08	\$0.00	\$3.92

*Source: 2021 Trial Assessment data.

**Note: Uses industry the supported employee works in.

***Electricity, Gas, Water and Waste Services: sample size too small to report.

4.2.2 LOCATION

Based on Trial assessment data for the sample, those in metropolitan ADEs would receive higher wage increases; while those in regional ADEs would receive lower increases.

TABLE 17. DIFFERENCE IN WAGE OUTCOME (EXCLUDING SUPERANNUATION) BY LOCATION

Location	N	Mean	Median	Minimum	Maximum
Metropolitan	176	\$3.78	\$1.99	\$0.00	\$15.82
Regional	198	\$2.69	\$1.31	\$0.00	\$18.67

*Source: 2021 Trial Assessment data.

**Note: Remote locations sample size too small to report.

4.2.3 SIZE

Based on Trial assessment data for the sample, those in large ADEs would receive higher wage increases; while those in small and medium ADEs would receive lower increases.

TABLE 18. DIFFERENCE IN WAGE OUTCOME (EXCLUDING SUPERANNUATION) BY ADE SIZE

Size	N	Mean	Median	Minimum	Maximum
Large	133	\$4.12	\$2.24	\$0.00	\$15.82
Medium	209	\$2.73	\$1.74	\$0.00	\$18.67
Small	37	\$3.21	\$1.09	\$0.00	\$15.66

*Source: 2021 Trial Assessment data.

4.2.4 WAGE TOOL

Based on Trial assessment data for the sample, those in ADEs currently using the SWS would receive lower wage increases. Those in ADEs using other wage tools would receive higher wage increases. However, it is important to note there were differences in the increases between the 2 other wage tools included in this category.

TABLE 19. DIFFERENCE BETWEEN CURRENT WAGE AND WAGE OUTCOME BY TYPE OF WAGE TOOL (EXCLUDING SUPERANNUATION)

Primary Wage Tool Used	N	Mean	Median	Minimum	Maximum
FWS	44	\$2.78	\$1.93	\$0.00	\$9.63
Greenacres	198	\$2.87	\$1.32	\$0.00	\$15.82
Other wage tool	33	\$8.90	\$8.98	\$0.00	\$15.66
Skillsmaster	53	\$2.65	\$1.50	\$0.00	\$18.67
SWS	51	\$2.23	\$0.91	\$0.00	\$9.43

*Source: 2021 Trial Assessment data.

**Note: The 'Other wage tool' category includes 2 wage tools each used by only one ADE.

4.3 REGRESSION ANALYSIS TO IDENTIFY FACTORS RELEVANT TO PREDICTING THE CHANGE IN WAGES

The next step in the financial analysis was to identify what factors influence changes in wages. To identify such factors, Balmoral Group Australia (BGA) estimated an Ordinary Least Squares regression. The regression works by (quantitatively) examining the relationship between a variety of variables and the change in wages due to the new wage assessment structure.²¹ BGA considered a variety of variables during the regression modelling process and determined that the best²² model identified the following factors as important in predicting changes in an individual's wage:

- ADE location (i.e. metropolitan, regional or remote)
- ADE size (i.e. small, medium or large)
- the wage tool used by the ADE (i.e. Greenacres, SWS, FWS, Skillsmaster or other assessment tool)
- an individual's productivity rating
- the Wage Grade an individual is employed under
- the amount of superannuation paid to an individual per hour.

²¹ That is, the change in wages is defined as the hourly wage after the introduction of the new wage assessment structure (including superannuation), minus the hourly wage prior to the introduction of the new wage assessment structure (also including superannuation).

²² That is, the most parsimonious model as determined by the adjusted R-squared and Akaike Information Criterion.

Note that the differences by location while significant were small. See Technical Appendix for the regression model.

4.4 IMPACT ON FINANCIAL RISK

4.4.1 ADES IN THE TRIAL

To estimate the number of ADEs at financial risk due to the new wage assessment structure, BGA employed the following procedure:

1. Categorise the population of ADEs by size, location and wage tool.
2. Use the regression model to predict the change in the wages of a given ADE.
3. Add the predicted change in wages to a given ADE's wage/ turnover ratio.
4. Compare the resulting wage/ turnover ratio to the benchmarks.

The analysis estimated that the new wage structure would result in an average wage increase of \$1.2 million annually per ADE in the sample. This effect varied substantially from \$6,288 to \$11.4 million. There were 2 ADEs with large numbers of supported employees were outliers. The total size of the wage increases across the 28 ADEs employing 6,335 supported employees (approximately one third of the supported employee population) was estimated to be about \$35.7 million per year.

When compared to the benchmarks, the modelling estimated 10 ADEs would be classed as highest risk (i.e. have a wage/ turnover ratio exceeding 86%) and 3 ADEs would be classed as high risk (i.e. have a wage/ turnover ratio exceeding 78%).

These estimates should be interpreted with caution given the assumptions that had to be made in the modelling and the potential influence of other factors on wage outcomes.

It should also be noted that ADEs have already begun to absorb the additional costs of superannuation that are included in this model as the changes to superannuation have already come into effect.

4.4.2 GENERAL POPULATION OF ADES

To estimate, BGA followed the procedure outlined below:

1. Categorise the entire population of ADEs by size, location and wage tool.
2. Conditional on size, location and wage tool, assume that an out-of-sample ADEs are similar in its observable characteristics to the average in-sample ADE.²³
3. Use regression model, to estimate the change in the wage for a given ADE.
4. Add the projected increase in wages/ estimated turnover (using the average of ADEs of the same size and location) to the estimated wage/ turnover ratio (using the average for the sector 71%).
5. Compare an ADE's wage/ turnover ratio (with the projected increase) to the benchmarks.

4.4.3 ESTIMATION FOR THE POPULATION

The analysis estimated wage increases for the sector of \$76.1 million annually. As 41 ADEs are using other tools not in the sample or an unspecified tool, a sensitivity test was carried out on the impact of the difference on the value of "other" tools – using 2 standard deviations plus/ minus the value for other wage tools to identify a lower and upper estimate.

TABLE 20. SENSITIVITY ANALYSIS – WAGE CHANGE AND RISK ASSESSMENT AT VARYING OTHER WAGE TOOLS

	Lower estimate \$1.10	Central \$ 1.69	Upper estimate \$2.27
Total estimated wage increase	\$ 74,587,062	\$ 76,063,676	\$ 77,540,291
Number of ADEs at high risk	20	25	24
Number of ADEs at highest risk	10	10	11
Number of supported employees in high risk ADEs	3,775	4,203	3,761
Number of supported employees in highest risk ADEs	2,839	2,839	3,281

*Source: ADE financial survey.

These results should be interpreted with caution because of the range of assumptions that had to be made. Financial data had to be estimated for ADEs not in the Trial, but other ADEs financials may differ. Wage differences may differ for those using wage tools that were not included in the sample. There are some concerns about the accuracy of wage grading in the Trial, and the pattern of employees by Wage Grade may differ between organisations. Where

²³ For example, BGA assumes that supported employees working for an (out-of-sample) regional, medium sized ADE have the same level of productivity as the average in-sample, regional, medium sized ADE.

ADEs outside of the sample differ from those in the sample on key factors in the model, this would influence the results. Other factors not in the model could also influence the results.

Furthermore, ADEs may already be at some level of financial risk and have a limited capacity to absorb additional costs as identified in Section 4.1.

4.5 CONCERNS ADES HAVE ABOUT THE FINANCIAL IMPACT OF THE NEW WAGE ASSESSMENT STRUCTURE

The financial impact of the introduction of the SWS with modifications on ADE viability was a major concern for ADE CEO/ management representatives in the Trial. The majority (>90%) were concerned the SWS with modifications would impact their viability (see Figure 25).

FIGURE 25. USING THE SWS WITH MODIFICATIONS WOULD IMPACT ON THE VIABILITY OF THIS ADE

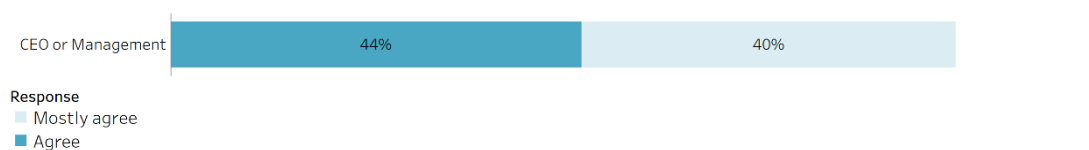


*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

Most CEO/ management representatives also felt that using the 2 new Wage Grades (Grades A and B) in the future would impact on ADE viability (>80%). However, this data is difficult to interpret given the confusion about the Wage Grades (see Section 5), and the fact that Grades A and B provide lower wages.

FIGURE 26. USING THE TWO NEW WAGE GRADES WOULD IMPACT ON THE VIABILITY OF THIS ADE



*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

Interviews indicate there was **less concern** where:

- wage changes were not expected to be substantial
- they identified their existing wages as higher than average in the sector
- they were already using the SWS (although not in all cases).

There was **more concern** among:

- businesses more heavily impacted by COVID-19
- businesses that are already struggling financially
- businesses that charge clients hourly rates for labour that would need to build wage increases into their pricing
- those bidding for competitive contracts, such as gardening.

Some comments about viability concerns were also related to concerns about the level of work involved in undertaking assessments using the new wage assessment structure (see Section 6.1).

4.5.1 WHAT ACTIONS MAY ADES TAKE IN RESPONSE TO THE IMPACT?

CEO/ management representatives from most ADEs commented on the actions the ADE may need to take or consider taking in response to the impact of the new wage assessment structure; some other ADE staff also commented. From most to least common, these were:

- **Reducing supported employee numbers:** to make the business viable if wages increased. Comments included only employing those who are more productive, bringing in other staff, or reducing supported employee numbers because work can be completed with fewer supported employees.
- **Exploring changes to business:** A few commented about exploring changes to the business related to changes to business streams or contracts, and/or changes to pricing structure. A couple of comments were about automation and technological developments, which have recommendations for the number of supported employees that need to be employed.
- **Closing:** Some noted they would need to consider closing or would need to close. Some of their concern is not only about wages, but the cost and disruption of conducting assessments.
- **Cross-subsidising:** Some mentioned they already cross-subsidise, and some said they wouldn't have the capability to do this.
- **Changing supported employee roles:** Comments were varied including scoping jobs so they are viable within Wage Grades. One ADE representative – who was under the impression they would need to time each employee on every single task they do – suggested they would limit the scope of supported employee roles so that they could more easily be assessed, which would limit learning opportunities for supported employees.
- **Reducing supported employee hours:** There were only a couple of comments about reducing supported employee hours if wages increased.
- **Other:** There were a few ADE staff who did not want to change the way they support people and accommodate time out from work, but said they would not be able to afford to accommodate current ways of working within the new wage assessment structure.

5. ENSURING CONSISTENT IMPLEMENTATION

5.1 TO WHAT EXTENT IS THE NEW WAGE ASSESSMENT STRUCTURE UNDERSTOOD BY ADES?



ADJUSTMENTS ARE SUGGESTED IN SECTION 6.3

5.1.1 ADES' UNDERSTANDING OF THE SWS

CLARITY OF THE GUIDANCE

Most Australian Disability Enterprise (ADE) CEO/ management representatives, independent assessors and staff agreed or mostly agreed the Supported Wage System (SWS) guidelines and the process for establishing benchmarks were clear – though most were tentative in their agreement (Figure 27).²⁴

While CEO/ management representatives tended to be more positive than ADE staff, in general, they had been less involved in the details of the Trial. Interview data and the queries that came through during the Trial also suggest higher levels of uncertainty about the guidelines and the benchmarking process than the survey suggests.

FIGURE 27. UNDERSTANDING OF THE SWS



Response
 Mostly agree
 Agree

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

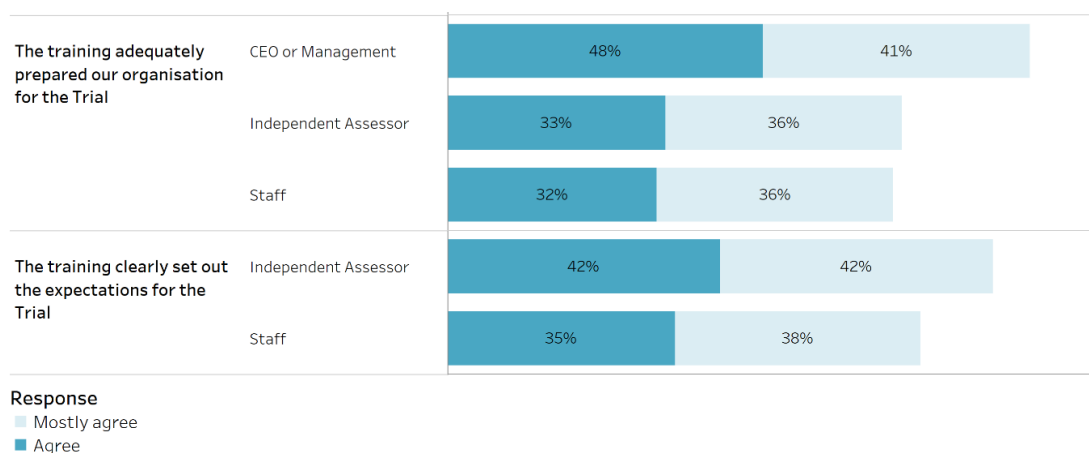
**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

²⁴ Full survey results in Appendix 3.

PERSPECTIVES ON THE TRAINING

The majority of ADE staff and independent assessors reported that the training set out the expectations of the Trial. However, they were less positive than ADE CEO/ management representatives that the training had prepared them for the Trial.

FIGURE 28. PERCEPTIONS OF THE TRAINING



*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

There were some differing views on the **training content** among interviewees.

While the information was already known to those familiar with the SWS, most of these participants felt it was a great opportunity to refresh their knowledge.

For someone that's never done SWS wage assessments before, it was really, really beneficial and really thorough. But for someone that has done it before, it was a lot of repetitive information, but I understand that you had to cover off everything, especially for the people that hadn't done it before. [ADE staff]

Some ADE staff who were unfamiliar with the SWS thought the content was informative, sufficient, and broken down in a way that allowed them to understand the assessment process. The case studies were appreciated, particularly if they applied directly to their ADE context. Having access to the information resources before and after the training was beneficial, as it allowed them to prepare for the training and use the information as a reference throughout the Trial.

However, some felt certain elements of the SWS were not clear in the training, and questions were raised about these during the Trial, including:

- the benchmarking process
- ADE staff and independent assessors needing to complete assessments independently and not complete timings simultaneously
- the need for ADEs to do their own separate internal timings
- whether to pause timings when the person being assessed goes off task
- how to account for paid breaks.

There were also participants who thought the training was over-complicated, too theory-focused, did not cover the ADE context enough, and/or provided examples more relevant to open employment.

There were also differing views on the **length of the training**. Some thought the training could have been condensed, some wanted more time to digest information in between sessions, and others thought there was too much information to cover in the time allocated. Some ADE staff felt it was a lot of time to take staff away from the ADE and their work. However, there were some positive comments that doing the training over multiple days allowed time for participants to comprehend and process the information.

While some enjoyed the **online learning mode** as it allowed flexibility to attend from anywhere, others said they would have preferred a face-to-face practical learning approach (which was not possible in the COVID-19 context), and some had difficulties with Microsoft Teams or connectivity issues.

Many participants found the **breakout rooms** great to digest and discuss the information presented, meet and collaborate with other ADE staff and independent assessors, and talk about uncertainties. Independent assessors had an important role in the quality of breakout room discussions, driving the conversations and providing advice. However, some felt there was too much time wasted in the breakout rooms with participants airing their opinions and not working on the group exercises, and there was some suggestion for a more conscious grouping of participants in breakout rooms to better facilitate learning.

The **mix of participants in the training** – ADE staff and independent assessors, with and without experience of the SWS – was welcomed by some, but not others. Those who felt the mix of participants enhanced the training mentioned those with experience were able to guide those less experienced or who had questions about the SWS and/or that ADE staff were able to provide independent assessors with insights into the ADE context.

Some felt the divide in experience was too vast and difficult to pitch the same information to. A few acknowledged how difficult it would have been to deliver the training to such a diverse group of participants with varying knowledge of the SWS, and one felt the divide in experience should have been acknowledged in the training.

It was more detail than I needed because I was familiar with the existing assessment already, but I understood why it was done that way for people who were less familiar with it or maybe hadn't done it before at all. I appreciate the detail, but it was probably more detail than I needed. If you're doing something with a group of people, it's not individual, it's about working out what everybody needs. [Independent assessor]

I thought that they could have acknowledged the fact that there are quite experienced people within the training, and that could have helped facilitate the process. I thought there was a very big divide between ADE staff and assessors. And really, the process was hijacked by a lot of ADEs' opinions – you know, there were so many blockages in terms of 'this isn't going to work, how are we going to make this work?' It just got railroad-ed. [Independent assessor]

A few felt the trainers allowing participants to ask questions whenever they wanted interrupted the flow.

In practice, some ADE staff didn't attend or weren't engaged in training for various reasons, which created misunderstandings in the Trial.

PERSPECTIVES ON SUPPORT

Staff and independent assessors sought support throughout the Trial via the **Trial consultants**. There were generally several queries daily, and at several different points in the Trial, there was a high volume of queries. Queries included:

- practical advice about how to input the data into the data collection tool on SharePoint
- advice on how to accurately complete the benchmarking process
- confirmation that the approach taken was correct
- troubleshooting assessment implementation challenges
- troubleshooting concerns about factors affecting the accuracy of assessments
- interpreting and applying the *Wage Grade Assessment Guidance* document (though no advice could be given on this)
- concerns around meeting the Trial timeframe.

Most time was spent on supporting ADEs to use the data collection tool and ensuring assessment data was accurate and entered correctly and completely.

Many assessors and ADEs valued the approachability, responsiveness and timeliness of the Trial consultants, with several noting that without a similar centralised help desk to implement the new wage assessment structure in the future, the rollout would be near impossible.

You need to have somebody who you can call. I'd be confident with the things I was doing, but at times you're like, 'well, am I looking at this the right way?' Or 'am I reading it the wrong way?' And you need someone to say 'Yep, you're on track, you're doing the right thing', or 'no, this is what you need to do'. So you definitely need a help desk or something when this is rolled out. That would have definitely saved a lot of time. [Independent assessor]

Very important to have that level of access. I didn't personally speak to them, but know they were very helpful for the Trial Coordinator. It was good to just be able to flick an email or just call about concerns we had. [ADE staff]

All technical questions about the SWS with modifications were directed to the **Subject Matter Experts** (SMEs) assigned to the Trial. Advice sought was often about the implementation challenges and factors affecting the accuracy of assessments (outlined in this section of the report). **Independent assessors** who relied on the support of the SMEs felt the support was helpful and crucial in knowing how to proceed.

While not all ADE staff relied on the support of the SMEs, it appears this was because they were able to rely on their **independent assessor** for technical advice. Many ADE staff had a strong reliance on the independent assessors assigned to their ADE to support and advise them on how to best apply the new wage assessment structure. This reliance was evident both in the training and during the Trial, particularly among those ADEs who do not currently use the SWS – although some ADEs appeared to work more closely with and rely on the guidance of their independent assessors more than others. Most ADE staff were positive about working with the independent assessors, as well as their knowledge and approachability. Those ADE staff who had to collaborate with their independent assessors to work through discrepancies in the timings felt this was a positive process. Some felt more at ease knowing that guidance was available.

A few ADE staff and independent assessors took the opportunity in interviews to highlight the importance of the support available in the trial to ensure accurate assessments and decisions were made. Some would not have felt comfortable doing it alone without these supports around them.

A few staff noted the importance of having support from their Trial Coordinator and/or their Executive and Leadership Team.

UNDERSTANDING

The Trial experience – with a range of queries and some concerns about consistency of application (outlined in Section 5.2) – shows varying levels of understanding of the SWS with modifications. Some ADE staff who had experience with the SWS seemed to find the process clearer than those who did not. Those who attended the training also had a better understanding.

Some ADE staff and independent assessors used the guidelines provided in training more than others, with some regularly referring to them and others reporting they did not read them or were unsure of their existence. There was some confusion in the interviews about what the guidelines actually were, which may be because not all staff attended the training, or may not have saved the resources or seen them as 'guidelines'. Some appreciated the guidance was thorough, while others would have appreciated shorter guidelines.

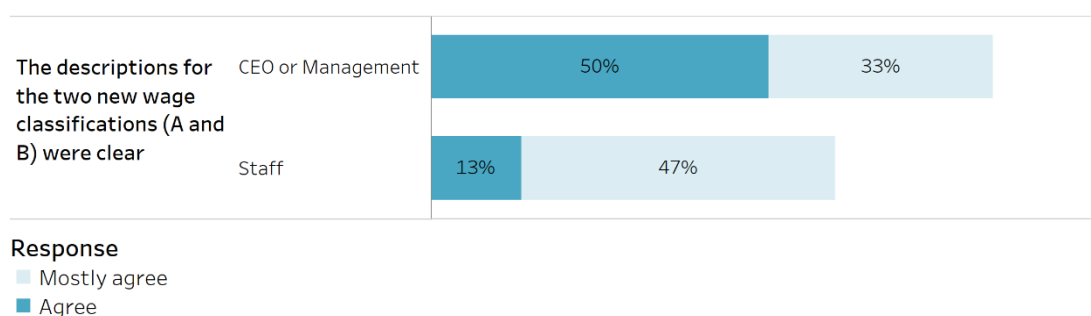
ADE staff and some independent assessors raised queries about the following throughout the Trial, and some also noted these points in interviews:

- **Benchmarking:** whether an ADE staff member and independent assessor needed to conduct their own separate timings for the benchmarking of all duties and tasks when independent assessors are expected to independently validate benchmarks. Some were also unclear about selecting units for the benchmarks.
- **Timing all duties and tasks:** how to proceed in an assessment if it was not possible to assess all major duties and tasks completed by a supported employee.
- **Simultaneous timings:** whether an ADE staff member and independent assessor can simultaneously time a supported employee.
- **Three timings:** whether it was acceptable not to take 3 timings in certain circumstances.
- **Paid breaks:** whether paid breaks should be included or excluded as a designated percent of time and how productivity should be counted for this time.
- **Time on and off task:** whether or not assessors should stop a timing when a supported employee spends time off the task being assessed.

5.1.2 ADES' UNDERSTANDING OF THE WAGE GRADES

Only about half of the ADE staff involved in selecting Wage Grades for supported employees (see Figure 29) agreed that the descriptions for the 2 new Wage Grades (A and B) were clear in the *Wage Grade Assessment Guidance* document, and most of these only mostly agreed. While CEO/ management representatives were more likely to agree the Wage Grades were clear, it was generally staff not management who had responsibility for conducting wage grading. Additionally, questions asked during the Trial, as well as reflections in interviews, indicate a lack of clarity about the Wage Grades.

FIGURE 29. UNDERSTANDING THE WAGE GRADES (A AND B)



*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

Specific questions or points of confusion raised about the *Wage Grade Assessment Guidance* document included the following:

- **Uncertainty about when to use Grades A and B, or Grades 1–7:** staff were confused about interpreting the 'gateway' requirements for Grades A and B.
- **Indicative tasks in Grades 1–7:** some staff may have been confused by referring to the indicative tasks from Grades 1–7 in the current *Supported Employment Services Award 2020*, but these had been removed in the Fair Work Commission preliminary decision and the *Wage Grade Assessment Guidance* document.
- **Perception that supported employees could be placed in several Grades:** several ADE staff reported that justifications could be made for placing supported employees in several different Grades. Specifically, many seemed to contemplate using Grades A or B or 1–3, feeling as though there was overlap between the lower Grades in 1–7.
- **Meeting the conditions of a Grade for some duties/ some of the time:** several ADE staff felt that some supported employees met the conditions within a particular Grade some, but not all of the time.
- **Meeting the conditions of multiple Grades:** a couple of ADE staff said some of their supported employees, whose roles and tasks vary, could fit in different Grades.
- **Misperception of the need to use A or B and 1–7:** a few ADE staff thought they needed to select both Grades A or B **and** one of the Grades 1–7 for each employee.
- **Uncertainty about some definitions in the *Wage Grade Assessment Guidance* document:**
 - Some ADE staff were confused about how to interpret the meaning of 'constant' monitoring and 'direct' supervision.
 - A few felt that the supervision definition in the Grades does not quite capture the nature of the work and supervision levels of all supported employees in a way that all can be easily assigned a Grade.
 - There was confusion about Grades 1–7, with the perception that most supported employees will need a level of supervision.
 - A few felt there was not enough detail provided around what an 'error' is and how to self-identify them and correct them.
- Uncertainty about whether **historical evidence or knowledge** of the supported employee's past performance can be used to inform the selection of the Wage Grade.

Some of it was a little bit of a grey area. It was mainly in terms of 'have you created the job for the employee?' Because, technically, we create the job to fit the employee, not the other way around. So, one was especially hard. For the guy that only works for 50% of the time and the other 50% he does other things, we've sort of moulded that job to suit his requirements, so then it's kind of a B, but then his supervision level is not as high as what the B definition was saying. So, he ended up in Grade 2, because Grade 1's only for your first 3 months. [Trial Coordinator]

If we took that and the classification structure and had a less skilled person applying that information, we don't think it's clear enough and accurate enough for an entry level staff member or a new assessor. If you like to be able to interpret it accurately, it needs to be simpler and easier to interpret to then be applied in a consistent manner, so that employees are not disadvantaged by the wrong calculation. [ADE Staff]

There was also one criticism that the gateway requirements do not account for the quality of work and competency of a supported employee performing a task.

5.2 TO WHAT EXTENT CAN THE NEW WAGE ASSESSMENT STRUCTURE BE CONSISTENTLY APPLIED ACROSS SUPPORTED EMPLOYEES?

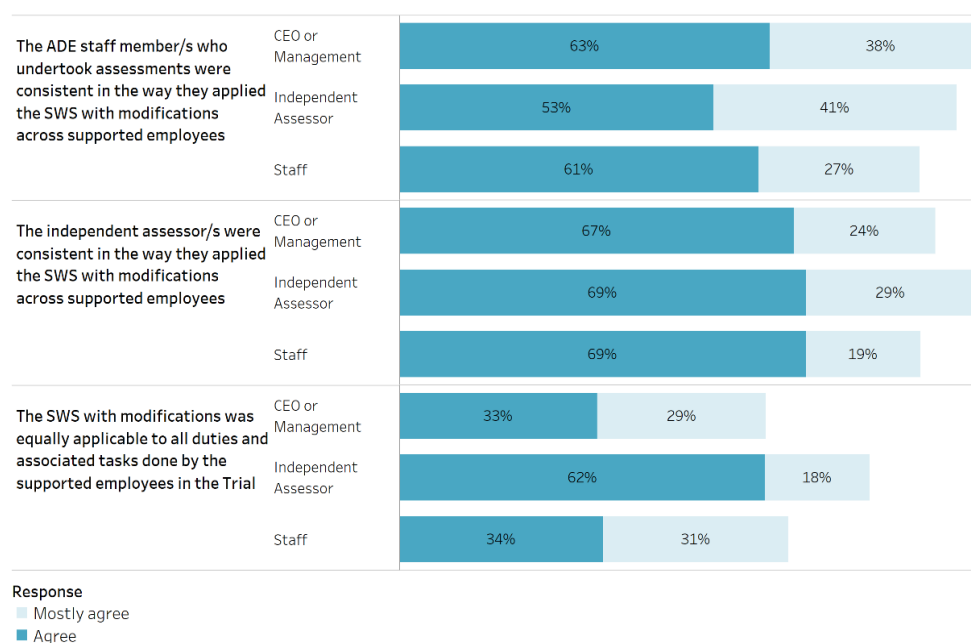


ADJUSTMENTS ARE SUGGESTED IN SECTION 6.3

5.2.1 APPLICATION OF THE MODIFIED SWS

The majority (>85%) of ADE staff, CEO/ management representatives and independent assessors agreed or mostly agreed that both the ADE staff and the independent assessor were consistent in the way they applied the SWS with modifications across supported employees (Figure 30). However, they were less positive that the SWS with modifications was equally applicable to all of the duties and associated tasks done by supported employees in the Trial. Independent assessors were more positive than ADE CEO/ management representatives and staff, potentially because of their experience with the SWS or because ADE staff were more focused on the regular parameters of duties and tasks in their organisation or the tasks they could not time. Interview data suggest more issues were experienced with particular tasks or in certain contexts (see below discussion).

FIGURE 30. CONSISTENCY OF APPLICATION OF THE SWS



*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

ENABLERS TO CONSISTENCY OF APPLICATION

Interviews identified that the most common enabler to consistency of application was the **replicability** of duties and tasks being assessed – the more replicable, the more consistently they were able to apply the SWS with modifications.

The relationship between the ADE staff and the independent assessor appears to have been an important enabler to consistently applying the SWS with modifications. Independent assessors appeared to have taken on a key role in supporting the ADEs, and interviews identified that the knowledge, approachability and flexibility of the independent assessors were just as important to consistency of application.

Where there were challenges with collaboration, contributing factors identified were sites being time poor, having competing priorities, being matched with an assessor who was based at a distance from the site, and staff not having attended training. There were also reportedly some challenges at larger sites with multiple assessors with some differences in approach.

Other factors that enabled consistent application included:

- assessments being well structured
- supported employees performing consistent duties at the ADE
- clear pre-planning and briefings for assessments
- staff and assessors having a clear understanding of the SWS and expectations of an assessment and/or prior experience
- being clear when to stop and start a timing
- assessors being located close to the ADE, enabling more flexibly with changing schedules.

ESTABLISHING ALL MAJOR DUTIES AND TASKS FOR SUPPORTED EMPLOYEES AND THEIR ASSOCIATED PARAMETERS

The majority of comments about the first step in the SWS assessment process – **identifying all of the major duties and associated tasks** – were positive. The process tended to be **collaborative** between the independent assessor and the ADE staff, as intended.

There was initially some confusion with the terminology and meaning behind 'duty' and 'task', but this was generally resolved in conversations between the ADE staff and independent assessors. Independent assessors provided advice based on their previous experience and supported the process of breaking duties into associated tasks. Conversations also focused on the identification of appropriate parameters and whether duties may need to be simulated in order to be assessed. ADEs that were new to this kind of assessment tended to require more input from the independent assessor.

In general, ADE staff found it was relatively easy to identify duties and know how to break them down. The ease with which they completed the process reportedly depended on:

- the type of industry and duties completed by supported employees
- the amount of prior planning undertaken
- whether the ADE currently uses a wage tool which requires duties and tasks to be identified for timings.

Most were generally satisfied with the duties and tasks that were identified for supported employees in the Trial. Where there were issues, these commonly related to:

- duties and tasks completed on a production line
- duties and tasks with variable parameters, such as cleaning, driving and customer service duties
- business models in which supported employee duties vary on a rolling basis
- seasonal and contract work, which meant some duties could not be timed for the Trial.

Most ADE staff who commented on setting **quality standards** for tasks thought they were an important part of the process and helped accurately measure productivity. ADEs with existing quality controls for tasks found establishing the quality standards easier. ADEs in certain industries – including gardening and maintenance, and those with production lines – reported finding it more challenging to set quality standards because these could only be measured at a later point, for example, later in a production line or once a plant had grown (or not).

We can collate numbers... say you are transferring into tubes, a living plant. You may have 20 transplants, for example, but in a couple weeks time you find out that only 50-60% have lived. In our industry, just counting that level of productivity into what is produced doesn't always contribute to the quality of the plant that can go on and be sold.
[ADE staff]

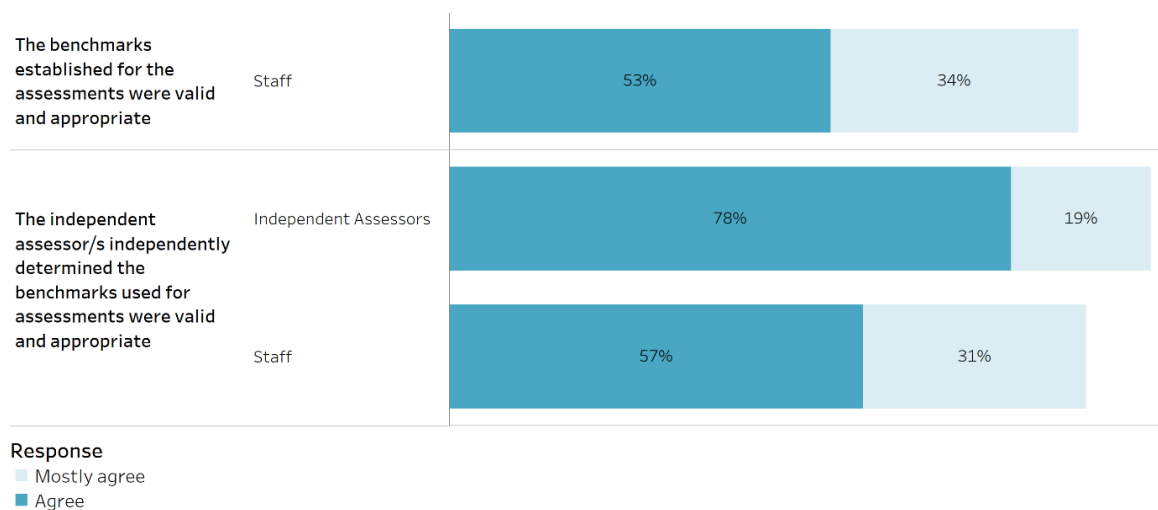
While those who commented on quality standards generally felt they had established and used some form of quality standard, some found it difficult to consistently apply quality standards. There were also a small number who said they had not followed the standards described when benchmarking (for example, stopping a timing while a mistake was corrected) or were not aware of the standards set to apply in assessments. There were a small number of ADE staff who were either unaware of the quality standards set at benchmarking or had not followed the standards described when benchmarking (for example, stopping a timing while a mistake was corrected).

In terms of the **time weightings** spent on each task and duty (duty weightings), some raised questions about the weighting of paid breaks (which are included in SWS assessments at full productivity). Other questions were raised about how calculations could be made when some regular duties or tasks could not be timed.

SETTING BENCHMARKS

The majority of independent assessors reported that they had independently determined the benchmarks used for the assessments, which they felt were valid and appropriate (see Figure 31). While the majority of ADE staff agreed the benchmarks were valid and appropriate, they were less likely than independent assessors to agree that the independent assessors had independently determined they were valid and appropriate. This may be because there was a sense among staff that independent assessors didn't always have a full understanding of the ADE context.

FIGURE 31. DETERMINING BENCHMARKS



*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

While interviewees commonly talked about following the process for establishing benchmarks using a co-worker, interviews with ADEs and some independent assessors identified practical challenges with the process and some concerns about the accuracy of the benchmarks that were set for the Trial.

Some ADEs found it difficult to identify a **co-worker who works at 100%** productivity to use as a comparator to set the benchmark for the time or number of units to be completed in the assessment. The Trial SME noted that ADEs in the Trial had more concerns than other employers in identifying suitable comparators for benchmarks. In these cases, they used supervisors that had an understanding of the task but did not have much experience in completing the task.

Some ADE staff and independent assessors found the benchmarking process – which involved the independent assessor and the ADE staff member each timing the co-worker comparator 3 times – **time consuming**, especially if there were a large number of tasks to assess.

Commonly, where this process was discussed, ADE staff and assessors agreed the independent validation of benchmarks by the independent assessor was significant to

ensuring the benchmarks were appropriate. From interviews, it seems that additional timings were taken to resolve instances where there were significant differences between the independent and internal benchmark timings, as intended.

ADE staff tended to be more negative about the validity of benchmarks in the interviews in comparison to the survey data. **Issues with the perceived validity** of benchmarks included:

- instances where they realised using time/ unit as the measurement would have been more effective and efficient for certain tasks
- the length of the benchmarks
- the lack of a suitable comparator
- difficulties when the task was not easily replicable or consistent (e.g. gardening or cleaning)
- difficulties when tasks are usually completed in groups or on a production line
- not all tasks being included in the set up time.

The training didn't stipulate a benchmark length and benchmark lengths varied considerably.

CONDUCTING ASSESSMENTS

Two key issues with the consistency of implementation compared to what is stipulated in the SWS guidelines were identified. A range of other factors interrelated with these were also said to impact consistency of application to varying degrees.

Timing of all duties and tasks

On average, supported employees were assessed on 2 duties. The minimum number of duties supported employees were timed on was one and the maximum was 8.

TABLE 21. NUMBER OF DUTIES ASSESSED FOR EACH SUPPORTED EMPLOYEE

Number of duties assessed	
Mean	2.03
Median	2
Std Dev	1.28
Minimum	1
Maximum	8

*Source: 2021 Trial assessment data.

**Note: Data for 379 supported employees in the final sample.

For 17% (n=63) of the sample, not all duties and tasks regularly performed were timed. Reasons for this varied, but included the variation of work between different seasons or contracts, supported employees being on leave, or tasks that assessors (both internal and independent, though more internal) felt could not be timed because they couldn't be created with consistent and replicable conditions. Examples of duties and tasks that were not timed included:

- administrative and support services
- driving
- shopping
- customer service roles
- food service
- cleaning services
- landcare (hedging, mowing etc)
- miscellaneous tasks.

It is not possible to accurately assess the proportion of a supported employees' working hours these duties account for – as data provided by ADEs was not specific or certain enough to enable calculation – or whether the duties not timed were actually 'major' duties that should be timed in a SWS assessment.

Having three timings per task

For the majority of tasks, supported employees were timed 3 times.²⁵ For a small proportion of tasks, ADE staff and independent assessors were unable to complete 3 timings. There were various reasons for this, including supported employees having concerns or objected to doing multiple timings, the weather affecting the ability to complete certain tasks, or certain products not being available to work on. ADE staff also cited that the time constraints of the Trial, in addition to regular demands on the organisation, made it difficult to complete 3 timings.

TABLE 22. NUMBER OF TASKS TIMED LESS THAN THREE TIMES, THREE TIMES, OR MORE THAN THREE TIMES

Timings per task	Internal		External	
	N	%	N	%
< 3 timings	61	5%	58	5%
> 3 timings	99	9%	89	8%
3 timings	952	86%	971	87%
Total	1112	100%	1118	100%

*Source: 2021 Trial assessment data.

²⁵ Because of the format of the data, this analysis is reported at the task rather than supported employee level.

Simultaneous timings

At some ADEs, ADE staff and independent assessors assessed supported employees simultaneously, often resulting in identical timings. This was an issue for 18% (n=70) of the sample. Some ADE staff and independent assessors were unclear on the requirement to assess separately (which is not explicit in the guidelines), while others reported being unable to conduct assessments separately for various reasons including:

- time restraints
- miscellaneous tasks
- stock and product availability
- inability to replicate the task
- supported employees' response to the Trial
- supported employee and assessor availability.

Other challenges with consistency

Other factors that were said to affect consistent application of the SWS with modifications during the Trial are included in Table 23 below. On average, each ADE staff member and independent assessor mentioned 2 implementation challenges encountered in the Trial.

TABLE 23. DRIVERS LEADING TO IMPLEMENTATION CHALLENGES

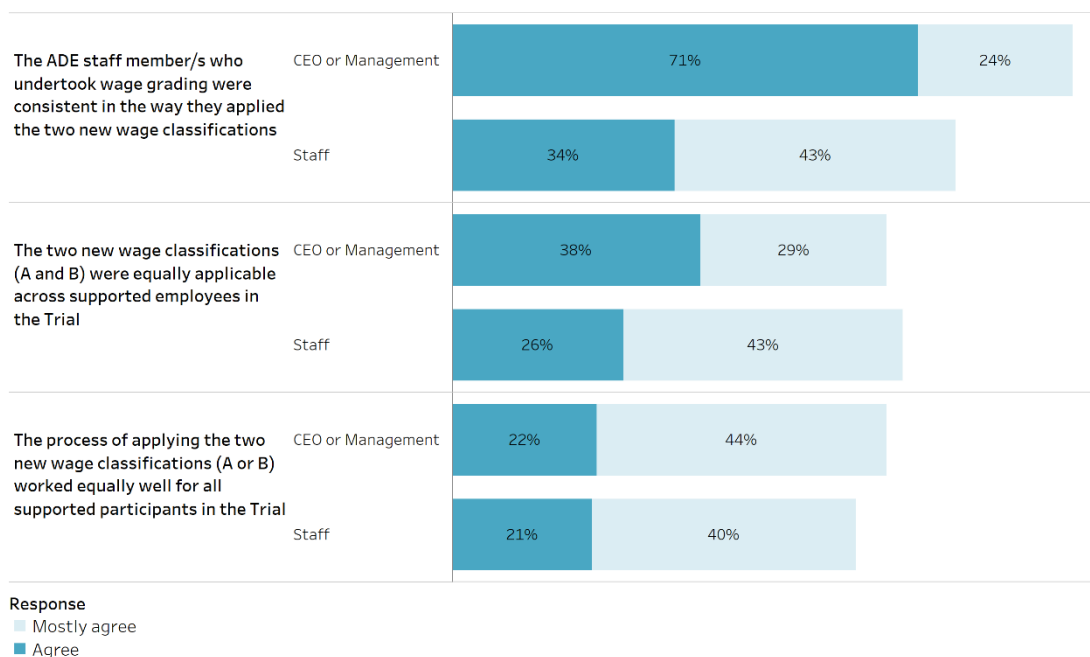
Issue	Description	Scale of issue	Interrelationship with other challenges
Setting up consistent tasks	<ul style="list-style-type: none"> ADE staff reported difficulties setting up tasks with consistent parameters in some cases. Key examples included sorting, recycling, customer interactions, land care (e.g. weeding, mowing, hedging), food services, cleaning, and letter-box drops. 	Often	<ul style="list-style-type: none"> Duties not timed Seasonal work Contract work Assessments being time consuming
Trial timeframe	<ul style="list-style-type: none"> Some reported that the timeframe prohibited completion of all or parts of assessments for some supported employees. ADE staff capacity, staff turnover and other commitments, such as National Disability Insurance Scheme (NDIS) audits, made implementation in the Trial timeframe a challenge. The COVID-19 context, which intersected with the Trial timeframe, also had varying effects on ADEs, including impacting supported employee and staff attendance at work, as well as some contracts and work schedules and the availability of some products. 	Often	<ul style="list-style-type: none"> Not all duties and tasks timed Seasonal work Contract work Simultaneous timings Staff capacity
Supported employees on leave	<ul style="list-style-type: none"> A higher number of supported employees than usual were on leave throughout the Trial due to COVID-19 restrictions. However, stakeholders noted supported employees can also be unexpectedly on leave for other reasons. ADE staff and independent assessors both cited that this created scheduling issues. Independent assessors reported difficulties in having to reschedule their visits due to the unpredictable availability of some supported employees. 	Often	<ul style="list-style-type: none"> Trial timeframe Not all duties and tasks timed Scheduling and availability of independent assessors
Contract work	<ul style="list-style-type: none"> Some ADEs conduct contract work that involves hard deadlines, can be unpredictable and can only be on for short periods of time. Duties and tasks for different contracts would require new benchmarks to be set, creating additional costs and/or workload to simulate tasks for assessments. 	Sometimes	<ul style="list-style-type: none"> Duties not timed Simultaneous timings Less than 3 timings Availability of stock

Issue	Description	Scale of issue	Interrelationship with other challenges
			<ul style="list-style-type: none"> Assessments being time consuming Scheduling and availability of independent assessors
Seasonal work	<ul style="list-style-type: none"> Some ADEs could not time tasks that are seasonal, and only conducted at a particular time or point in a seasonal cycle. ADE staff also reported that tasks may change in nature or difficulty depending on the weather conditions or time of year. A few assessors mentioned that weather conditions delayed assessments in the Trial, and made it difficult to schedule timings and complete them within the Trial timeframe. One ADE staff said the seasons had changed in the time between benchmarking and timings. Types of seasonal tasks included: gardening services, propagation, running nurseries and land care. 	Sometimes	<ul style="list-style-type: none"> Not all duties and tasks timed Less than 3 timings Trial timeframe

5.2.2 APPLICATION OF THE NEW WAGE GRADES

The lack of clarity about the Wage Grade descriptors and guidance translated to questions about consistent interpretation and application of the Wage Grades. While CEO/management representatives surveyed generally reported that staff were consistent in how they applied the Wage Grades, the staff who assigned the Grades were less positive that they had done this consistently. Both were less positive that the process worked equally well for all supported employees (see Figure 32).

FIGURE 32. CONSISTENCY OF APPLICATION OF THE WAGE GRADES (A AND B)



*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

During interviews, many ADE staff noted uncertainty about whether they had consistently applied the Wage Grades. Most commonly, staff encountered difficulty consistently applying the Grades when they thought supported employees could fit in different Grades or they had trouble confidently interpreting the guidance or definitions.

Look to be honest, it was hit and miss. To be honest in the end we bumped them up to what their higher level would be. I can't remember now. We have guys that I have put at a 2, but when you look at it, they might still be a B. There is such a wage jump from an A to a B to a 7. [Trial Coordinator]

Some staff reported engaging with other staff from their ADE to confirm their understanding and justification for selecting certain Grades for supported employees, but remained uncertain about their selections. Several expressed concern that they or other ADE staff may be misinterpreting and misapplying the Grades without clearer guidance, and felt the application of the Grades was too subjective.

I've racked my brain; I've had the HR team have a look at it. I am not confident that an employee can be classified as A or classified as B. It's incredibly important we are using those classifications correctly and we need to be as equitable for all employees as possible. Anything that's open and broad, we're really risking underpaying someone and being in that kind of wage discussion, because we've classified them as a B but in reality, they should be a Grade 2. [Trial Coordinator]

Some ADE staff reported only using Grades A and B, and others only using Grades 1–7. Others expressed inconsistent understanding of the Grades.

I don't think there's a single supported employee that would be able to do it in, like the way that it's set out in that 1 to 7. As in, the amount of autonomy that they can do with working, like they are literally supervised every minute that they're out there. So that's why we put them into the A and B as opposed to the 1 to 7. But I felt that the wording was not as clear as I personally would have liked it. Because A and B is also across 1 to 7, it's kind of like, 'Mr. Employer, you pick whether they're A or B, or 1 to 7'. And if they fall in one to seven, are you still allowed to call them A or B? [Trial Coordinator]

Some questioned whether Grades A and B were required.

So when I looked at who fell in the A and B... I hope I did it the right way, I looked at them as people needing more supervision and needing guidance, more guidance and that on the job. Then Grades 1 and 2 was the same you know, so not sure why we need the A and B. [Trial Coordinator]

Carwash area, and being able to, you know, to work more independently and being able to check their own work areas. And then Grade 4 I looked at workers that were able to calmly check other people's work. And in small teams, which is our job leader role. So because I set up the job leader roles, that made sense to me. That's how I read it, I hope I read it right, it just didn't have a lot of instruction on how to read the document. Do you need the A and B, or is it better just to take it from the Award? [Trial Coordinator]

Those who felt they were able to consistently apply the Grades noted different reasons for this. A few staff reported they were able to consistently apply the Grades as they clearly felt that A or B did or did not apply to the participating supported employees at their outlet, and were more confident in their decision. A few ADE staff felt the 3-step requirements in the Grades allowed them to consistently apply them. A couple noted they used the current Grades that employees are on. A few staff mentioned that it was easier to classify some supported employees based on the tasks they perform and their work. A few staff mentioned that having historical knowledge of a supported employees' work experience and performance made selecting the Grades easier.

While one staff member mentioned they were able to consistently apply the appropriate Grade because of the 'error' requirement in the guidance, another said this made it difficult.

5.3 TO WHAT EXTENT CAN THE NEW WAGE ASSESSMENT STRUCTURE BE ACCURATELY APPLIED ACROSS SUPPORTED EMPLOYEES?

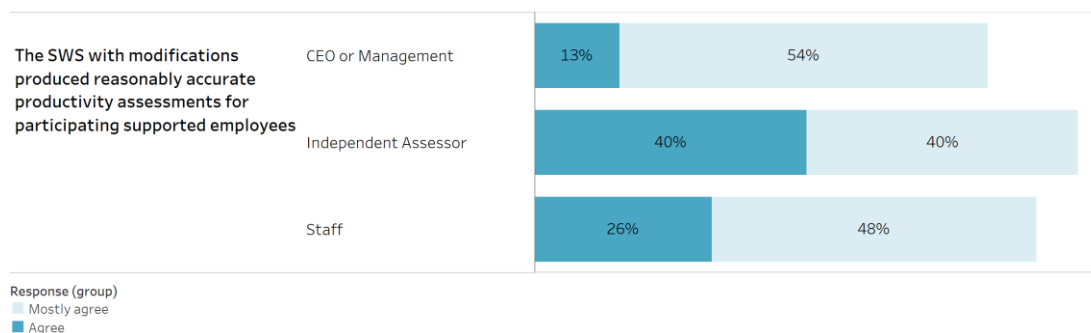


ADJUSTMENTS ARE SUGGESTED IN SECTION 6.3

5.3.1 PERCEIVED ACCURACY OF THE SWS WITH MODIFICATIONS

Independent assessors were more likely than ADE CEO/ management representatives and staff to believe that the SWS with modifications produced a reasonably accurate assessment of supported employees' productivity. While over two-thirds of ADE CEO/ management representatives and staff agreed assessments were reasonably accurate, more mostly agreed than agreed. Interviews indicate ADE staff had mixed views of the accuracy of the assessments.

FIGURE 33. PERCEIVED ACCURACY OF THE SWS WITH MODIFICATIONS



*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

FACTORS AFFECTING ACCURACY OF ASSESSMENTS

Interviews identified a range of factors perceived as limiting the accuracy of the productivity assessment results (see Table 24 below). On average, ADE staff and independent assessors mentioned 2 factors affecting accuracy. These challenges with consistency and accuracy identified in the Trial are also encountered in the current application of the SWS.

TABLE 24. FACTORS AFFECTING ACCURACY OF SWS ASSESSMENTS

Issues	Nature	Scale of issue	Interrelationship with other factors
Supported employee response to being timed	<ul style="list-style-type: none"> • ADE staff were concerned that having an ‘assessment’ and an internal and/or independent assessor affects the way the supported employee would normally work – that is, some supported employees work faster or slower, or remain on task more than usual. This was a particular concern for external assessments. • Some supported employees found the timings to be repetitive, experienced anxiety and assessment fatigue. • Some supported employees reportedly worked faster when being assessed because they were being observed, wanted to impress the assessor timing them, or they associated a better time with better pay. • Some supported employees reportedly worked slower when being assessed because they were nervous or wanted to complete the task well. • Supported employees’ response to being timed is more fully described below. 	Often	<ul style="list-style-type: none"> • Collaboration between ADE and independent assessor • Supported employee understanding of the Trial and wages • Support provided during timing
Captures only a moment in time	<ul style="list-style-type: none"> • Some ADE staff expressed concern that the assessments only capture a brief moment in time that does not produce an accurate representation of supported employees’ usual productivity. • They said supported employees’ productivity fluctuates from day-to-day, over time (associated with variations in health and wellbeing) and is dependent on the time of day of the assessment. • Some staff felt that while a supported employee could perform tasks to quality or at a fast rate while being assessed, they did not do this reliably. • Pressures of the Trial timeframe may have influenced assessors to conduct back-to-back assessments, which resulted in a decrease in supported employees’ productivity rate over time. 	Often	<ul style="list-style-type: none"> • Doesn’t account for competencies, or variation in behaviour affecting work • Supported employee response to being timed • Trial timeframe • Benchmark length
What the assessment	<ul style="list-style-type: none"> • ADE staff identified several factors that they believe should be included in an assessment to produce a more accurate assessment of productivity. 	Sometimes	<ul style="list-style-type: none"> • Captures only a moment in time • Time spent on and off task • Wage Grades

Issues	Nature	Scale of issue	Interrelationship with other factors
doesn't account for	<ul style="list-style-type: none"> At some ADEs, ADE staff felt the SWS with modifications does not account for competencies. They expressed the need for assessments to consider the range and level of skills required to complete a task, as well as the level of complexity and components involved in a range of tasks. Some ADE staff were concerned that, without this, supported employees who usually do complex tasks at a slower rate could be disadvantaged, in comparison to those who do fewer and less complex tasks (they may not have understood the role of Wage Grades). Some ADE staff reported because jobs were cut into smaller tasks, certain behaviours that would normally impact productivity were not captured. For example, supported employees who are generally anxious or distracted, or who require a higher level of supervision or guidance. 		
Environmental product factors	<ul style="list-style-type: none"> At some ADEs, ADE staff and independent assessors expressed concern that the assessments were affected by varying environmental conditions or the consistency and quality of products used in the assessments – for example, for sorting and recycling, and conveyor belt tasks. Issues surrounding setting up consistent tasks often resulted in staff finding alternative ways to complete assessments for certain tasks, for example, setting up tasks in a simulated environment (e.g. the consistency of grass to be mowed, or the cleanliness of areas or objects to be cleaned). Assessors at some ADEs reported assessing supported employees in a different environment than normal to minimise distractions during timings. Some staff reported that simulating the assessment environment affected how supported employees worked as it made them increasingly aware they were being timed under different conditions. This was said to add to their anxiety and result in faster timings. One ADE staff member said the task being timed was a simpler 'mock-up' and didn't reflect the complexity of the tasks usually performed. 	Sometimes	<ul style="list-style-type: none"> Setting up a consistent task Availability of stock Trial timeframe Not all major duties and tasks timed Supported employee response to being timed

Issues	Nature	Scale of issue	Interrelationship with other factors
Group-production task	<ul style="list-style-type: none"> ADE staff reported that some supported employees were not used to doing tasks that are usually done in a group or on a production line – such as sorting, car washing and manufacturing tasks – alone. Some ADE staff and independent assessors reported that assessing supported employees individually on such tasks created different conditions that affected their productivity assessment. While some ADEs timed supported employees completing group tasks individually, others assessed supported employees as usual along a production line or in a group. Some ADE staff also noted that variable factors such as the allocation of supported employees along a production line would affect accuracy. 	Sometimes	<ul style="list-style-type: none"> Supported employee response to being timed Setting up a consistent task Simultaneous timings
Time spent on and off task	<ul style="list-style-type: none"> At some ADEs, ADE staff and independent assessors reported confusion around whether to time the supported employees on the time spent off-task during an assessment, sometimes causing discrepancies between internal and external timings. Some ADE staff and independent assessors were unsure whether to continue timing when the supported employee became distracted or wandered off task. Some ADE staff felt that continuing to time supported employees under these circumstances provided a more accurate reflection of their productivity. Assessors were also unsure whether to continue timing when supported employees completed work outside of the parameters of the assessment (e.g. mowing grass outside of the set boundary). 	Sometimes	<ul style="list-style-type: none"> N/A
Length of benchmark	<ul style="list-style-type: none"> Some ADE staff felt that the unit or the time set in the benchmark or assessment was too low or short. ADE staff felt that this produced an unrealistic assessment of productivity, as supported employees could work at a faster rate than usual for a shorter amount of time but were unable to sustain this speed for longer periods. This claim cannot be systematically assessed using assessment data as many benchmarks were short. But there were only 13 supported employees (3% of the 	Sometimes	<ul style="list-style-type: none"> Supported employee response to being timed Trial timeframe Not all 3 timings taken

Issues	Nature	Scale of issue	Interrelationship with other factors
	<p>sample) from 8 ADEs that achieved a productivity level of 100% or more, and 29 SEs (8% of the sample) from 12 ADEs had a productivity of 95% or more.</p> <ul style="list-style-type: none"> • Some ADE staff suggested that doing longer timings would allow supported employees to feel more comfortable and would produce a more accurate assessment of day-to-day productivity. • On the other hand, a few ADE staff spoke about the difficulty in supported employees repeating longer timeframe/ unit benchmarks, and also staff capacity and resourcing to complete these. 		
<p>Tasks not done to quality</p>	<ul style="list-style-type: none"> • ADE staff reported concerns that supported employees did not complete tasks to quality during assessments. There was a misperception among some ADE staff that the new wage assessment structure did not account for quality requirements. • Some ADE staff felt that some supported employees worked at a slower rate but were able to meet quality standards, while other supported employees are often unable to meet quality standards. • Some ADE staff felt that it was difficult to uphold quality standards where they were assessing with products that vary in nature or consistency. 	<p>Sometimes</p>	<ul style="list-style-type: none"> • Setting up a consistent task
<p>Support provided during the timing</p>	<ul style="list-style-type: none"> • Some ADE staff and independent assessors indicated that supported employees received support during timings. This included ADE staff directing supported employees back to work or providing reassurance during the assessments. • A few ADEs felt that the assessment should account for the varying levels of support required by, and provided to, supported employees, including the level of support, prompting and supervision required to undertake their work. However, a few ADEs noted they did not feel that providing a high level of support and prompting would have produced an accurate assessment of a supported employees' productivity. 	<p>Sometimes</p>	<ul style="list-style-type: none"> • Time spent on and off task • Supported employees' response to being timed • Moment in time

Issues	Nature	Scale of issue	Interrelationship with other factors
Other	<ul style="list-style-type: none"> • One independent assessor said it was important to have supported employees do regular tasks (i.e. the same job everyday) rather than participating in different jobs each day, in order for assessments to accurately capture productivity. • ADE staff also mentioned: <ul style="list-style-type: none"> • supported employees getting faster and finding efficiencies as they did more timings • supported employees practicing the task before the Trial assessments to prepare for the timings. • When asked about difficulties they encounter at work, many supported employees said they did not face difficulties. Where they did, the most common difficulty mentioned was interruptions, which make it difficult to do their job well. This included other people talking, and distracting loud noises making it hard to concentrate. Other difficulties included: <ul style="list-style-type: none"> • the impact of health issues • conflict with co-workers • difficulty concentrating • confusion or difficulty in understanding their job and finding certain tasks hard. <p>While some of these difficulties could impact assessments, some supported employees had found ways with dealing with these.</p> 	N/A	

SUPPORTED EMPLOYEE RESPONSE TO BEING TIMED BY BOTH ASSESSORS

Some supported employees, ADE staff and independent assessors spoke generally about the response to being timed, not differentiating between the response to ADE staff and independent assessor timings.

Commonly, internal assessors and independent assessors said some supported employees worked **faster** when being timed. The ADE staff said some supported employees saw the timings as a test of how fast they could work, especially if they had been involved in similar wage assessments in the past. A small number of ADE staff noted that the timings for the supported employees had to be conducted at a different location to the supported employees' normal workspace – for example, in a training room – and because of this, there were less distractions, with the result that the supported employees worked faster than normal.

A few ADE staff noted though that some supported employees started out very fast for their first timing, but by the second and third timing had started to slow down and were working closer to their normal speed.

Around half of the ADE staff who commented on the supported employees' response to being timed by both assessors felt that it was varied or was **mixed**. They said how the supported employee responded very much depended on the individual, with some working faster than normal, others slower and a small number continuing to work at their normal pace. A small number of independent assessors also said this.

They either felt like they were under pressure and got anxiety around the situation and didn't perform to the standard that they normally would. On the other extreme, we found guys that, for that small period, because we broke a lot of the jobs down to one specific part of the whole job, they could manage to work well above what they normally would and knock things over a lot quicker than they normally would. [ADE staff]

A couple of ADE staff felt a supported employee's response to being timed depended on their level of understanding of the Trial. Those who understood it was only a Trial and had no effect on their wage, worked at their normal speed.

Two supported employees said they worked at the **same speed as normal** for both assessors, and a handful of ADE staff also reported this. While one felt this was because they provided reassurance to the supported employees, another felt this was because the independent assessor timed at a distance, so they did not feel stressed or anxious.

I mentioned from Day One when I approached them, just be yourself. Doesn't matter, it is not about how long it takes or how long it doesn't take, just be yourself. [ADE staff]

A couple ADE staff said some supported employees worked **slower** when being timed, with one detailing that 2 supported employees, who are 'high functioning' and are on higher wages, were very anxious about being timed. Some assessors (ADE staff and/or independent

assessors) sometimes conducted more than 3 timings because they were concerned that the supported employee was very anxious and performing well below their normal pace.

RESPONSE TO BEING TIMED BY ADE STAFF

Most (n=112/185) supported employees felt they worked at the same speed as they **normally** would when being timed by ADE staff. Some said this was because they felt comfortable with the ADE staff watching them as they knew them. Others noted that they were more focused than normal, were a little nervous about being timed, or were more relaxed in comparison to being timed by the independent assessor. One ADE staff member said supported employees worked no differently when timed internally.

Some (n=43/185) supported employees interviewed said they worked **faster** than normal for the internal assessments. Although most did not give a reason why they worked faster, some said it was because they wanted to show how fast or how well they could work, and a small number said they were not as nervous with the ADE staff because they knew them. One felt if they worked faster, they may get paid more.

Maybe [I worked] a bit faster because the more work you do, the more you can get paid. [Supported employee]

A handful of ADE staff reported that some supported employees worked faster when being timed by ADE staff because they wanted to impress the staff member timing them, or because someone was watching them.

A small number (n=9/185) of supported employees interviewed said they worked **slower** than normal for the internal timings, and this was generally because they wanted to make sure they did the task 'properly' as they were being watched.

A small number of ADE staff said supported employees' response to internal timings was **mixed**. While some supported employees worked slower when being timed internally because they felt nervous about being watched, other supported employees worked faster – generally because they knew they were being timed.

A few supported employees said when they were timed by ADE staff, sometimes they worked faster and sometimes slower. This was because on some tasks they worked faster, while on others they worked slower; or they worked faster at the beginning of being timed and then slowed down.

A small number (n=10/185) of supported employees **could not recall** if they worked differently when timed by the ADE staff.

RESPONSE TO BEING TIMED BY INDEPENDENT ASSESSORS

Around half (n=99/199) of the supported employees said they worked at their **normal pace** when being timed by the independent assessor. Although many didn't provide reasoning, some said this was because they were not aware the independent assessor was there, they pretended they were not there, or because the independent assessor maintained a good distance from them while timing them (meaning they did not feel anxious or stressed).

One ADE staff member said the independent assessor made the supported employees feel comfortable and at ease by chatting to them about their day, and this helped them feel relaxed when completing timings. One independent assessor felt it was not obvious to them that the supported employees they were timing worked any differently to how they normally worked. Another felt that although some supported employees that were assessed worked faster when timed internally, they worked at their normal pace when they timed them.

Some (n=53/199) supported employees said they worked **faster** than normal when being timed by the independent assessor. Often this was because they wanted to do their best and wanted to impress the assessor. For some, the act of being timed made them work faster. A couple of supported employees just wanted to get the timings 'over and done with'.

[I] wanted to show her how good I could do my job. [Supported employee]

A small number of ADE staff who commented on the supported employees' response to being timed by the independent assessor said supported employees worked faster than normal, providing similar reasons to the supported employees for this. One said the supported employees at their ADE have participated in a similar assessment in the past and knew their speed will affect their pay.

A couple of our guys will have sleepless nights, anxiety, who is this person coming on site, etc., so we don't tell them until a day or so before about the assessment so we can minimize their fear factor. And then there's other guys who see an assessor come on board and they basically see them as the sole reason why they are going to get more money. So they will turn it on like there is no tomorrow and will rush through work and rush through completion of work, because they see that the faster they work the more money they get – it's that simple a line of thinking for them. [ADE staff]

Half of the independent assessors who commented on the supported employees' response to being timed by them felt that some supported employees worked faster than normal for similar reasons provided by supported employees and ADE staff. Some said, in their experience, the act of being timed tends to make people work faster.

One independent assessor said the act of being timed virtually seemed to create stress for some supported employees, as it was intimidating and unusual to have a laptop in their workspace, with the result that they worked faster. Another who did some timings outside of the supported employees' normal workspace noticed some anxiety and a faster work speed than normal. Some independent assessors said they try to be as unobtrusive as possible when doing timings, to create a less stressful and normal environment during assessments.

Just under half of the independent assessors who spoke about supported employees' response to being timed by them said there were a **mix** of responses, with some supported employees working faster than normal and others slower. One noted that some supported employees who had participated in a similar wage assessment process worked faster as they knew the timings were about how much they got paid.

A small proportion (n=20/199) of supported employees said they **sometimes worked faster on some tasks and sometimes worked slower** on others when being timed by the independent assessor. An independent assessor also noted this happening with some of the

supported employees they timed. One ADE staff member said some supported employees got more comfortable with being timed by the independent assessor as the timings progressed, and so they began to work at their normal pace.

One independent assessor noted that because they attended the ADE over a number of days, supported employees became more comfortable around them. Another independent assessor noted that ideally they like to assess people over a longer period of time to give people time to relax around them and, thus, there is more chance that people will work at their normal pace.

A small proportion of supported employees (n=16/199) felt they worked **slower** than normal when being timed by the independent assessor. Generally, this was because they felt 'nervous' or 'anxious' about being timed.

[I felt a] bit nervous being watched. [Supported employee]

One supported employee said they worked slower because they wanted to do a good job, while another felt they were unable to complete tasks using the efficiencies they had developed in their work (as they were required to complete the task according to the benchmarks). One ADE staff member said the assessment outcomes for some supported employees showed them as being 'less competent' than normal and predicted it was because they were less relaxed with the independent assessor.

A small proportion (n=11/199) of supported employees said they were **not sure or could not remember** if they worked any faster than normal when the independent assessor timed them.

DIFFERENCE BETWEEN EXTERNAL AND INTERNAL TIMINGS

Most ADE staff and independent assessors reported that while the internal and external timings were mostly similar, there were some differences in benchmark and assessment timings (see also Section 3.4.4). Discussions between both the internal and independent assessor would usually provide an understanding of why there were differences. Assessors were also required to record notes next to their timings in the data collection tool if anything unusual occurred during the assessment. Only a few said they had to re-do timings when the difference was greater than 10 percentage points – that, is the variance allowed between the ADE benchmark and the independent assessor average timing – to ensure the benchmark was valid.

Interviews indicated varying reasons for differences in timings between the internal and independent assessor, including:

- the supported employee/s worked faster or slower for different assessors
- assessment fatigue
- distraction during an assessment
- the supported employee/s' level of comfort with the assessor
- variation of factors in the assessment, including variation in product, material, contract, and machinery
- difference between assessors when starting, stopping and pausing the timings

- whether the supported employee went off task and for how long
- an improvement in the supported employee/s' speed after doing an assessment a few times
- a change in other employees working on the task during an assessment of a group task
- incorrect data entry into the data collection tool on SharePoint (which was corrected).

Good communication between the ADE staff and the independent assessor seemed to enable consistency across assessments, as did the nature of the task being assessed. Where task parameters were clear and replicable, they would produce very similar timings.

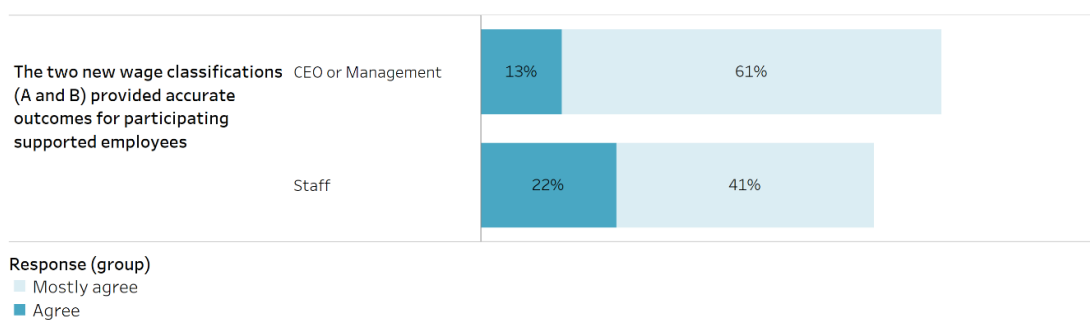
I think that's where the communication came into it really well. He'd come to me after doing the first timing and say, 'What do you think?. And I'd say, 'I got a very similar timing. I think that that's a really good example of so and so's work.' It was quite consistent between my timings and his. [ADE Staff]

A small number were unsure if there were any differences in the timings as they never saw the timings entered by the other assessor, and a few thought they were not supposed to compare their timings. One independent assessor felt that ADE staff should not be able to see the independent assessor's timing in the data collection tool, and vice versa, to ensure independent application of the new structure.

5.3.2 PERCEIVED ACCURACY OF THE WAGE GRADES

ADE CEO/ management representatives and staff were less certain of the accuracy of the Wage Grade outcomes. Some ADE staff remained uncertain they had made an accurate selection (see recommendations in 6.3.3).

FIGURE 34. PERCEIVED ACCURACY OF THE WAGE GRADES (A AND B)



*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

APPLICATION OF GRADES BY ADE

Many interviews indicate that staff did systematically consider the Grade for each supported employee as they explained the rationale for why some were classified one way and others another. Where all or most supported employees from some ADEs were classed into certain Grades, this may be accurate because all supported employees may be performing similar

duties and tasks with similar levels of supervision. While it is not possible for the Trial evaluation to assess the accuracy of the wage grading process, some staff felt they had made an accurate assessment and others did not.

Now, I'm not entirely confident that that's accurate. And this is, this is a concerning part for me in the Trial, because there are some days where I'm like, maybe I could push that they are a B grade. But then there are other days where I'm convinced that they're Grade 2. And, you know, we have to be 100% confident that we are accurate, because the differences are vast, you know – we're talking about \$21 or \$20.40 an hour against \$14 an hour. So that's considerable if we're actually under paying someone that amount because we've misclassified them. So it's really important that we get that right. And therefore, you know, the clarity around the classification is really important. And I don't think that's really been communicated very well throughout the Trial, and there's been no support to enable us to be able to classify the employees appropriately. [Trial Coordinator]

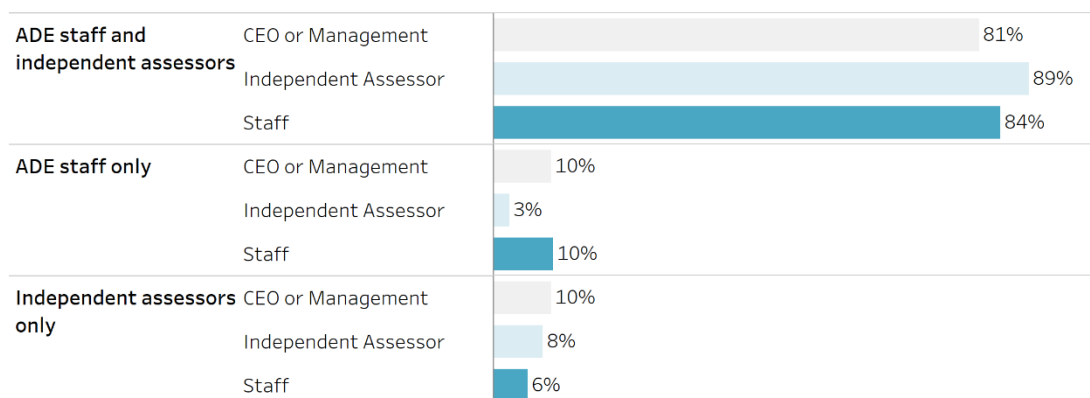
Other comments relating to the accuracy of the Wage Grades varied. One ADE staff member suggested the wage grading decisions should not be made by the ADE, to remove bias. Another suggested the difference between Grades A and B is too large.

One ADE staff member felt the overly high productivity rating was counteracted by the correct Grade, creating a more accurate outcome. A comment from another reflected a lack of understanding that Wage Grades could address their concern that an employee doing one simple task may be paid more than someone doing multiple harder tasks. Another suggested the Grades should include competencies (consistent with broader comments from some ADEs that the new wage assessment structure should include assessing competencies).

5.4 PERCEPTIONS ABOUT WHO SHOULD CONDUCT ASSESSMENTS

The majority (>80%) of ADE CEO/ management representatives, staff and independent assessors felt that SWS assessments should be conducted by **both** ADE staff and an independent assessor. Interview data supports this.

FIGURE 35. WHO SHOULD CONDUCT THE ASSESSMENTS



Survey (group)

- CEO or Management
- Independent Assessor
- Staff

*Source: Post-Trial survey completed by a CEO/ management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO/ management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

***Note: Total percentage may sum to less than 100% as percentages are rounded to the nearest whole number.

****Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

BOTH INTERNAL AND INDEPENDENT ASSESSORS

Many could see advantages and disadvantages of both internal and external assessments and suggested the combination of both could counteract the drawbacks of each (see Table 25). Reported benefits of having both internal and independent assessors were that it encourages discussion, justifies decisions, creates accountability, and fosters collaboration between the 2 assessors to create a fairer, more equitable and holistic assessment for supported employees.

I think it's great to have both to bring together results – rather than just one, of course. I would always see the internal as more crucial because you know the employees better. And you've got evidence across a longer period. I think my concerns lie alone, just with being timed in that period of being watched. That whole idea of Hawthorne effect and how people might change when they're being watched. [Trial Coordinator]

When we [the independent assessors] come out, they might work faster, but on the flipside, they may be anxious and so they work slower. So, the data from the ADE or the input from the ADE might actually help us in terms of getting a more reflective assessment. [Independent Assessor]

TABLE 25. PERCEIVED ADVANTAGES AND DISADVANTAGES OF ADE STAFF AND INDEPENDENT ASSESSORS CONDUCTING ASSESSMENTS

	Advantages	Disadvantages
ADE staff	<ul style="list-style-type: none"> • Familiarity with the supported employees so as not to make them anxious or uncomfortable during an assessment. • Historical knowledge of and experience with the supported employees, including an understanding of how they usually perform duties and tasks and an ability to flag when an assessment does not reflect their usual work. • Understanding of the ADE context. • Understanding of the way in which tasks are usually conducted and how to best replicate this in an assessment. • More cost efficient if assessments are not subsidised. • Flexibility to assess on site at any time to suit the needs of the supported employees. • More natural work environment for assessments. • Ability to conduct assessments over a period of time to capture differing work performance. 	<ul style="list-style-type: none"> • Potential for bias toward certain supported employees and desired outcomes. • Rapport and trust with supported employees could be misused. • Lack of familiarity, experience with and knowledge of the new wage assessment structure. • Lack of time to assess supported employees properly. • The assessment process taking staff time away from working with the supported employees, or performing their usual work.
Independent assessors	<ul style="list-style-type: none"> • Lack of vested interest in the outcome of the assessment. • Knowledge of and experience with the new wage assessment structure. • Ability to guide ADE staff on assessing under the new structure. • Ability to support and work with ADE staff to complete assessments. • Ability to act as an impartial validator of assessments. 	<ul style="list-style-type: none"> • Only assessing at one moment in time, which can inflate or deflate productivity. • Lack of familiarity with the ADE, environment and supported employees. • Concern that supported employees are more likely to work faster or slower in an external assessment. • Supported employees may be anxious as they do not know the independent assessor. • Time constraints to conduct an assessment.

Advantages	Disadvantages
	<ul style="list-style-type: none"> • Potential inconsistency of application of the wage assessment structure among independent assessors. • Stock/ product may not be ready or environmental factors may have an impact when external assessments are scheduled.

ONLY INTERNAL ASSESSORS

A few ADE staff and management representatives felt that only ADE staff should conduct assessments, mostly because they felt ADE staff know the supported employees best and are best placed to conduct the most accurate assessment that does not just capture performance at a moment in time.

ONLY INDEPENDENT ASSESSORS

A few ADE staff, CEO/ management representatives and independent assessors felt that only independent assessors should conduct assessments. This was mostly because they felt: independence is crucial to ensure a fair assessment; not knowing the supported employees ensures impartiality; and because they have experience and time available to complete the assessments properly.

6. ENSURING A SUCCESSFUL TRANSITION TO THE NEW WAGE ASSESSMENT STRUCTURE

6.1 WHAT CHALLENGES WILL ADES FACE IN IMPLEMENTING THE NEW WAGE ASSESSMENT STRUCTURE?

Australian Disability Enterprise (ADE) CEOs, management representatives and staff identified a range of challenges in implementing the new wage assessment structure, including the time required for assessments, staff capacity to implement the new structure, implementation challenges (experienced or identified during the Trial) and the financial impact on the ADE. Only a handful of ADE representatives perceived few challenges with the transition.

6.1.1 CHANGE FROM CURRENT WAGE ASSESSMENT PROCESSES

The majority of ADE representatives from organisations not currently using the Supported Wage System (SWS) identified that using the SWS with modifications will be quite a change from their current process for working out wages. If internal timings are required, there will be a need to train and support staff in the new process. Some ADE representatives – using various existing wage tools – specifically noted it will take additional time to conduct assessments using the SWS with modifications compared to using their current tools.

6.1.2 TIME REQUIRED FOR ASSESSMENTS

ADEs commonly raised concerns about the time that would be required to implement the new wage assessment structure. There were differing views among ADE staff – including those currently using the SWS – and among independent assessors about the reasonableness of time for conducting assessments.

Where ADE staff thought the time spent was unreasonable, this was generally because it took a lot of time, which took staff away from day-to-day work and supporting supported employees or required additional working hours.

My concern is going back to do normal assessments I don't think the 5 hours is going to cut it. If I am going to do 5 or 6 assessments, absolutely it will cover it, because you can make those gains of assessing multiple people at one time. But if I am just going there for one person and I'm trying to do 3 half hour timings on one task, 3 half hour timings on another task, plus all the additional set up time in between, all the additional interruptions that happen in the day, plus with supported wages once they incorporate travel time in Sydney there is not a chance that that actually covers the actual timing you will need to do. If travel time was separate, you would get it in [within 5 hours].

[Independent assessor]

Each wage Trial process added up to an average of 4.5 hours for each supported employee – this includes the 3 timed assessments I conducted, the 3 virtual assessments, the benchmark timing and time taken to record all results. As for any feedback on whether I think it was a reasonable amount of time to conduct the Wage Trial process, I found the process extremely difficult to manage within the current business structure here at [the ADE], added to the fact that this had to be conducted within the current working hours of our supported employees, many of whom currently work the minimum 8 hours per week. [ADE Staff]

Time was a big issue because our understanding of how long an employee is going to take to do something could be 3 or 30 minutes. Tying to book those in with the independent assessors is difficult because to get everybody that we needed to get done, we weren't aware of how long they would take until we did the benchmark timings. Once we did them, we had a bit of an awareness, but that process was a little muddled. [Trial Coordinator]

However, some ADE staff and independent assessors who felt that it was a time-consuming process still thought this was reasonable – some of these referred to good collaboration between the ADE staff and independent assessor easing the process; others to the process being more efficient in future because of their experience in the Trial.

I thought it went pretty smoothly. And the time went quickly because it started months ago, and it flew by – which was good, the way it was, because we still all had our normal jobs to do as well. So there has been a bit of a time drain doing it, but it's been so worthwhile. [Trial Coordinator]

It was [reasonable] because of the tasks. One of the tasks was 10 minutes, so altogether with breaks, around 45 minutes. Potentially, some of the guys might have a complaint about how long it took. When I spoke with them, one of them said, 'It was just the same thing over and over again.' I thought, 'Okay, maybe that's something you can talk about when you're asked.' Another one sat down and said, 'It's just like a normal day.' I never thought about it that way. I thought it would be painful to do it 3 times. It was probably more like a normal day for them and that comes down to task preparation. If you chose a task that took 30 minutes in the first place, I think you're asking for more trouble because you'll frustrate yourself, sitting and monitoring for 30-40 minutes and then restart for the next one and do the same thing again, that would be 1.5hrs to sit and watch – you'd lose focus, concentration. The timeframe we selected was adequate for supervision. [CEO/management representative]

There is accurate data available on time spent by independent assessors in the Trial. This shows that on average, independent assessors spent just over 5 hours on benchmarking and the assessments per supported employee (see Figure 36). This aligns with the policy that independent assessors will have 5 hours per SWS assessments, unless additional time is approved by the Department of Social Services (DSS). For ADEs currently using the SWS, the average amount of time taken was shorter, at just under 3.5 hours, mostly because less time was required for benchmarking. This does suggest the potential for efficiencies in implementation over time.

FIGURE 36. TIME TAKEN FOR ASSESSMENTS BY INDEPENDENT ASSESSORS

	All assessments	ADEs currenting using SWS (n=5)	ADEs currently not using SWS (n=22)
Number of assessments	395	43	352
Average time for benchmarking (h:mm)	2:12	1:03	2:21
Average time for productivity assessment (h:mm)	2:53	2:19	2:57
Average total time (h:mm)	5:05	3:22	5:18

*Source: Summary of Trial assessment data provided by DSS.

**Note: This includes 395 assessments, as 16 supported employees in the Trial withdrew or did not have assessments completed.

Some ADE staff and Trial coordinators gave estimates of the time they spent on the Trial. This ranged from 1–12 hours per supported employee (with one outlier giving a very high estimate of the time spent on the Trial). As staff had varying levels of involvement in the Trial (for example, some were involved only in assessments, some also in benchmarking or wage grading), and generally had not kept detailed logs of time spent, it is not possible to generalise from this data the time that will be required by ADEs to implement the new wage assessment structure in the future.

Some ADEs dedicated more time to the Trial process than others and had more staff involved in the Trial. It is not clear if either of these approaches were more efficient.

Factors that influenced the amount of time taken are identified in Table 26.

TABLE 26. COMPONENTS OF AN ASSESSMENT THAT INFLUENCE AMOUNT OF TIME

Component of assessment	Factors that may increase or decrease time
Pre-planning – identifying duties and tasks, and setting quality parameters	<ul style="list-style-type: none"> • The complexity/ simplicity and nature of the duties and tasks. • The number of duties and tasks supported employees perform. • The number of supported employees at an ADE. • Previous experience with the SWS. • The extent to which the SWS guidelines were understood and followed.
Benchmarking	<ul style="list-style-type: none"> • Ready availability of an appropriate comparator – without this, ADEs had to put more time into considering who could be a comparator. • Complexity/ simplicity of duties and tasks to benchmark and replicate. E.g. some may take longer to set up and/or source materials to complete assessments with. • Length of time/ unit of measurement decided. E.g. longer benchmarks will require more time.
Assessments	<ul style="list-style-type: none"> • Being able/ not able to time all duties/ tasks. • Supported employees taking more/ less time to complete tasks than expected. • Supported employees' availability – i.e. on leave. • Supported employees' level of comfort in completing all timings. • Supported employees' response to being timed not an accurate reflection of normal speed, resulting in more timings being required. • Possibility of completing multiple assessments at once.
Wage Grades	<ul style="list-style-type: none"> • Understanding of Wage Grades. • Comprehension of the <i>Wage Grade Assessment Guidance</i> document.

A small number of comments reflect a misperception that every single task an employee does needs to be timed as opposed to all major duties and associated tasks.

6.1.3 STAFF CAPACITY

Associated with concerns about the time required to implement the new wage assessment structure, some ADE representatives (across small, medium and large ADEs) raised concerns about staff capacity. Some noted they had limited staff; some that implementation would take already time poor staff away from their other roles, including supervision and support. Others specifically said they would need additional staff to set benchmarks and conduct assessments. Some suggested they would need to have staff whose only role was to set up and conduct assessments.

A lot of it comes down to things like staff training, and also, basically, additional staffing so that you can support your employees through this assessment process. Because if not, it's just another thing that gets lumped on to people who are already, you know, doing a full-time job anyway. [CEO/ management representative]

I am somewhat concerned that we'd have to devote too much time to, shall I say, academic administration just to assess people as to where they're at and not help them progress. [CEO/ management representative]

6.1.4 IMPLEMENTATION CHALLENGES

Some of the implementation challenges identified in the Trial (see Section 5) were specific to the condensed Trial timeframe and context, but the following would remain challenges in future:

- being able to time certain duties and tasks
- setting up tasks with consistent parameters when environmental factors vary
- being able to time tasks that are seasonal
- being able to time duties and tasks when they vary with contracts.

There were also some additional duties and tasks ADEs did not time in the Trial that ADE staff said they would find difficult to time in future, such as driving and off-site roles. However, there were organisations in the Trial that timed off-site roles.

Other implementation challenges identified for future implementation included:

- establishing processes to ensure staff – including new staff – could consistently undertake assessments
- recording the data
- the time required for creating replicable tasks
- the impact of assessments on regular work being completed.

6.1.5 FINANCIAL

ADEs commonly identified financial challenges with the transition, not only in terms of the cost of additional wages, but the cost of conducting assessments (see Section 6.3.1).

6.2 TO WHAT EXTENT ARE ADES MOTIVATED TO COMPLETE THE TRANSITION?

Given the context of the Fair Work Commission's (FWC) preliminary decision about the new wage assessment structure, ADEs were not asked directly about their motivation to transition. This is inferred from the views they expressed about the need for a universal wage assessment tool for the sector, their views on the SWS with modifications compared to their own wage tools, whether they have made preparations to transition or plan to, and the concerns they expressed about the transition.

CEOs and some Trial Coordinators were more able to comment on the transition than other ADE staff. Some expressed a motivation to move to a consistent wage assessment tool for the sector, although not all of these specifically identified the SWS with modifications as the tool they want to use. Others mentioned the need for a "fair" approach to wages more generally, and others the desire to have the industrial relations issue around wages resolved.

Going down the path of a national wage scheme is the best thing that could happen. It's not a level playing field now. [CEO/ management representative]

I mean, the current situation where we've got, a dozen or whatever, different wage tools, I think is, is fraught with difficulty in itself. And I think a system that is universal across the industry certainly can add some equity to people. But again, it's how it's administered, and how it's monitored, and how the auditing function operates. [CEO/ management representative]

However, support for having one tool for the sector is not universal.

I don't think you could find one tool to fit all ADEs. They all do different work, so you would need something different to suit. [Trial Coordinator]

ADE representatives had differing views of the SWS with modifications – some positive and some negative. Some ADE representatives – using various existing wage assessment tools – consider their existing wage tools preferable to the SWS with modifications. Several said they consider their existing tool to provide a more holistic assessment than a productivity-based assessment. One of these said they were concerned that an assessment based on productivity would mean supported employees doing complex tasks could be paid less than those doing fewer and less complex tasks.

We use Skillsmaster at the moment. That's one of 20 odd tools they use across the sector and I understand why the government's trying to come back to one tool. The supported wage tool – I know it's got modifications – but we don't believe that it gives the same indication as what the other tools do. Because the other tools take into account the support needs required, more so on the job for our people. The SWS is based on productivity matched against an able-bodied person and you're going to get a varying level of results based on the individual person's disability. Because some will go into their shell and will not like it; some will say, 'Here's a chance to fire up for this test and that'll show them my results, and I can get more money.' It doesn't show a consistent approach. [CEO/ management representative]

I really am concerned about this. When I went to BSWAT to Green Acres, I've done the biggest research on all the all the wage tools. And look, we looked at the SWS then, and I really didn't feel it was it was the right one for supported employment. And I still don't believe it's the right one for supported employment. [Trial Coordinator]

Others thought the SWS with modifications would provide a 'fairer' or more consistent way of assessing wages than their current tool. There were also a couple of comments from those already using the SWS who were positive about the change to 50:50 weighting between internal and external assessments, regardless of any variation; another organisation not currently using the SWS also identified the modification of a 50:50 weighting between internal and external assessments as an improvement.

Where ADE representatives had a view about the SWS with modifications prior to the Trial (whether positive or negative and whether related to the way the assessment itself works or to the potential impact of the assessment results), they generally did not change this view; only a small number of staff changed their view. Often where they had a negative view of the

tool, this was because they thought the assessment did not account for higher skilled work, broader work skills or competencies. There were a couple of ADE representatives who said they questioned whether the new structure would work but were reassured by the inclusion of Grades A and B to account for the nature of work undertaken. However, another representative who is currently using the SWS said they had liked the idea of the Grades to differentiate by work undertaken, but they are now concerned about the Wage Grade assessment being provider led as this could be done inconsistently.

A small number of ADE representatives argued that for at least some supported employees, having work or the connections they make through work is more important than the wage, or that supported employees' receipt of the Disability Support Pension (DSP) should be factored in when considering supported employee wages. Some identified a potential tension between paying higher wages and the availability of supported employment. One ADE CEO who identified tensions between increasing wages and ensuring there are supported employment opportunities said they thought there would be a lot of opposition to the new wage assessment structure. Another ADE representative said they did not understand the problem the new wage assessment structure was trying to resolve because supported employees receive the DSP on top of their wages. Another said they thought supported employees should just receive a top up payment through their DSP rather than a wage calculated through what they saw as a bureaucratic system.

Some ADE representatives noted their concern that open employment would not work for – at least some – supported employees.

A few assessors commented that ADEs they worked with did not understand the rationale for the change in wage assessment structure, preferred their own tools and/or were worried about the impact on their organisation.

Very few ADEs specifically mentioned having begun **preparations** for transition to a new wage assessment structure (though some might have just not mentioned this). Where they had, this included:

- communicating with supported employees that change is coming
- training staff
- progressively increasing wages
- identifying duties at different Wage Grade levels
- documenting processes.

A small number of ADE representatives described the Trial as preparation or said they were awaiting the Trial results to prepare for the transition. Other reasons for not having started to prepare were being busy, uncertainty about the transition timeframes, uncertainty about whether the new wage assessment structure would be applied, or expecting the decision to be referred to the Federal Court.

ADEs' existing financial concerns and/or concerns about the financial impact of the new wage assessment structure or other challenges associated with the transition would also impact their motivation to transition.

6.3 WHAT ADJUSTMENTS COULD BE MADE THAT WOULD SUPPORT THE TRANSITION FOR ADES?

ADE representatives identified a range of adjustments and supports for the transition. The Trial experience supports the need for a range of adjustments and supports, including: a change management plan and communications, careful consideration of the transition timeframe and timing of assessments, clarifications on the SWS and Wage Grades, training and support on the SWS and new Wage Grades, and financial supports.

6.3.1 A CHANGE MANAGEMENT APPROACH AND ASSOCIATED COMMUNICATIONS PLAN

The Trial experience suggests the need to recognise the introduction of a new wage assessment structure as a significant change, which may be met with some resistance. There is a need to communicate the rationale for the changes, as well as the details of the change to ensure a successful transition.

The evidence of the need for this is as follows:

- The changes in process will be substantial for most ADEs.
- ADE staff did not generally change their perceptions of the SWS with modifications as a result of the Trial.
- Some ADE staff continue to perceive their own tools as preferable to the SWS. Some continue to advocate for the inclusion of competencies in the assessment tool.
- Not all ADE staff seemed to be across the context and rationale for the changes.
- There were varying levels of understanding of the new wage assessment structure, including misunderstandings that wages might decrease (when the commitment was that a person's wage would not decrease).

Recommendations

- Develop a change management plan for the transition, which recognises the need to clearly communicate the rationale for the change to ADEs.
- Provide clear, consistent and repeated communications to the sector to support ADE staff to understand the transition – the rationale, the process for transitioning, the supports available, and the details of how the new structure works.

6.3.2 TRANSITION TIMEFRAME AND TIMING OF ASSESSMENTS

The majority of ADE representatives who identified the timeframe they would need to transition suggested **at least 12 months**, but one suggested 3 years and another 3–5 years, and some management representatives or Trial Coordinators said the time required would be lengthy (without providing an estimate).

In identifying the timeframes for transition, ADE representatives seemed to be mainly focused on how much time it would require to conduct assessments. However, there were management representatives that included other factors that would affect timing.

Identified dependencies that would affect the transition timeframe included:

- ADE size
- considerations for different business units
- staff capacity
- training and support
- financial support to complete assessments.

There were also a few comments relating considerations about transition timeframes to the National Disability Insurance Scheme (NDIS) – this change coming closely after managing transition to new NDIS pricing for supported employment, managing the financial impact of new NDIS pricing, needing time to explore other NDIS support options, or competing priorities for staff for their NDIS services (noting the need for staff capacity to implement assessments). There was reference to the timeframe provided for transition to new NDIS pricing (18 months) as a reference point for transition to the new wage assessment structure.

There were only a handful of comments from ADE staff who felt the transition to the SWS with modifications could happen immediately. Most of these comments were from staff at ADEs currently using the SWS.

Related to the timeframe for transition were considerations for the timing of assessments being conducted. There were some concerns about fitting assessments in around the workload and schedules of supported employees, and being able to assess work which varies over the course of the year (e.g. businesses influenced by seasonal concerns).

A common suggestion among ADE staff was ensuring assessments could be staggered to reduce the impact on the business and regular work and be less disruptive in the workplace. Related to this was the suggestion, from a small number, that supported employees transition to the new wage assessment structure on the anniversary of their current assessment.

The other consideration for the timeframe for transition is the availability of independent assessors to conduct the 16,355 assessments that will each take about 5 hours (see Table 27). Travel time would be in addition to this, where assessors are not available locally. It is unclear how feasible it would be for assessors to incorporate this large number of additional assessments into their current workloads and the extent to which new assessors would need to be attracted to meet the demand.

TABLE 27. INDEPENDENT ASSESSOR NUMBERS AND LOCATIONS

State/ Territory	Number of Assessors
ACT	16
NSW	160
SA	48
QLD	156
NT	6
TAS	14
VIC	144
WA	103
Total	544

*Source: DSS

Recommendations

- Confirm a feasible timeframe for transition with reference to the time required to:
 - agree on supports to be provided to ADEs and supported employees
 - communicate with all ADEs and supported employees about the change through a centralised communication strategy
 - train independent assessors and ADE staff on the SWS in the ADE context
 - have independent assessors assess all supported employees (noting there may be issues with the sufficiency and availability of the workforce across all locations).
- Consider setting a start point for new wage changes to come into effect across the sector to ensure equitable application of the new wage assessment structure for supported employees across different ADEs.
- This suggests about a few years would be required for the transition after the FWC's final determination, if the time required for agreement on supports to be provided and allowance of a buffer for delays (which the Trial suggests should be expected) are factored into the timeframe.

6.3.3 CLARIFICATIONS AND ADJUSTMENTS TO THE NEW WAGE ASSESSMENT STRUCTURE

The Trial experience and interviews highlighted the need to provide some clarifications to the SWS with modifications and the changes to Wage Grades under the *Supported Employment Services Award 2020* (the Award). Some potential adjustments were also identified.

THE SWS WITH MODIFICATIONS

Issue	Potential clarifications or adjustments to address this issue
Duties and associated tasks to be timed	<ul style="list-style-type: none"> • There were differing understandings of what constitutes all major duties and associated tasks, with some seeming to interpret this as absolutely all duties, and a small amount of confusion about whether supported employees should only be timed on what they do well. • Some of the duties and tasks not timed in the Trial may not actually have been major. • When supported employees' work varies with contracts or seasons, it was particularly challenging to assess all major duties and tasks. A longer timeframe over which to implement assessments could help with this; however, it may be more practical and efficient to consider what would constitute a sufficient proportion of duties and tasks to be timed on to establish an accurate productivity outcome. • At a minimum, there should be a clearer definition and guidance on what 'all major duties and associated tasks' means. Alternatively, it may be appropriate to adopt the modification to the SWS suggested in the FWC preliminary decision – to assess a 'representative sample of tasks'. The latter could be useful in the context of seasonal and contract work, but clearer guidance would be needed on what a 'representative sample' is. However, in contexts in which work varies this may not be able to be defined in terms of a certain percentage of time spent on the duty. • If internal and external assessments are maintained, clarity will be needed on calculations where either the internal or independent assessor cannot time all duties.
Benchmarking	<ul style="list-style-type: none"> • ADE staff suggested a need for clearer guidance on the benchmarking process, and how to select a comparator, where there is not someone who regularly performs that task at 100% productivity. • For ADEs in which work varies based on contracts, benchmarking and assessments need to be conducted at the same time so that tasks have the same parameters or simulated tasks would need to be established. • A need for greater clarity about the process for independent assessors validating benchmarks was also identified. There was some confusion about whether both internal and external timings are needed for benchmarks. • There were also concerns about shorter benchmarks not resulting in accurate assessments, as well as some challenges completing assessments where lengthy benchmarks were used.
Separate timings from independent assessors and ADE staff	<ul style="list-style-type: none"> • For nearly half the supported employees in the Trial, there were minimal differences between internal and external productivity scores, with no more than a 5% difference between the 2 assessors. For 91% of the supported employees, the internal and external productivity assessments were within 20% of each other – the level of variation within the current SWS guidelines for supported employment at which timings do not need to be excluded or new timings taken to try to resolve the differences.

Issue	Potential clarifications or adjustments to address this issue
	<ul style="list-style-type: none"> • However, there was broad support for maintaining both internal and external assessments, and evidence of the important role of independent assessors in supporting ADE staff conducting assessments at least in the short term. • If internal and external assessments are maintained, the SWS guidelines need to be updated to make clear that the assessments must be done separately. • There was also a suggestion to consider implementing blind assessments – ADE staff and independent assessors not being able to see the results of each other’s timings to ensure timings are not influenced. • A couple of assessors suggested that if there are both internal and external assessments in future, an appeals process would be needed to resolve disputes between internal and external assessments. At least one independent assessor suggested the need for additional timings to be taken where internal and external assessments are not within a certain percentage of each other, which would be consistent with current guidance rather than the modification to apply equal weighting to internal and external assessments. • A couple suggested a revised ratio between internal and external assessment, with one management representative suggesting a 20% input from ADE staff and 80% from the independent assessor, while another management representative thought 60% internal and 40% external may be appropriate.
<p>Less than 3 timings per task</p>	<ul style="list-style-type: none"> • The Trial identified that in some circumstances it may not be possible to collect 3 timings, for example, where the supported employee was concerned about being timed again, or the weather, or product availability meant it was not possible. • It will be important to identify when fewer than 3 timings would be acceptable.
<p>Setting up consistent tasks</p>	<ul style="list-style-type: none"> • Further guidance on how to set up or create simulations for tasks that ADEs found difficult to set up consistently – due to variation in the environment or products – would be useful.
<p>Addressing where being timed is affecting how the supported employee regularly works</p>	<ul style="list-style-type: none"> • Introducing the independent assessors to the supported employees prior to the Trial, having a consistent independent assessor at the ADE and the assessor blending in reportedly helped supported employees feel more comfortable with the assessments. • Some ADE staff and independent assessors reported doing timings ‘covertly’ to ensure supported employees work the way they normally would. There was some suggestion this should be done going forward; others referred more to being discreet about timings. There were suggestions from ADE staff and independent assessors but more commonly ADE staff that doing timings covertly or being more discreet about timing during an assessment would create a more representative assessment of a real-world environment and produce more accurate results. One ADE staff member suggested doing a combination of regular and covert timings and taking an average of

Issue	Potential clarifications or adjustments to address this issue
	<p>the two. However, a few ADE staff noted ethical concerns about covertly timing supported employees. If supported employees were not aware they were being timed this would also make it difficult to question the accuracy of their assessments if needed. The current SWS guidelines do not allow covert timings.²⁶</p> <ul style="list-style-type: none"> • Additional timings could be required where a supported employee appears to be working at a faster or slower rate than usual – though this would need to be balanced with the concerns supported employees had about being timed multiple times. • There was also a suggestion to allow supported employees to do a ‘practice run’ of the timings to ensure they feel more comfortable doing assessments.
<p>Addressing that assessments only represent a moment in time that does not reflect how the supported employee regularly works</p>	<ul style="list-style-type: none"> • Conducting assessments more frequently and over a longer timeframe, to capture supported employees’ usual productivity and allow the independent assessor to attend the ADE on more than one occasion and for a longer period of time. • Allocating independent assessors to ADEs and having a consistent independent assessor conduct assessments to observe the supported employees’ productivity over time.
<p>Group-production task</p>	<ul style="list-style-type: none"> • A need for clearer guidance on how to assess duties and tasks normally performed in a group or production line was identified.
<p>Accounting for other factors</p>	<ul style="list-style-type: none"> • As some ADE staff did not think the assessments accounted for the quality of work, there is a need for clearer guidance about including quality standards in assessments and how to manage this where the supported employee receives support with this. • Some ADE staff continue to suggest the need for assessments to include competencies and behaviour that impacts productivity. • There is a need to ensure that staff understand the rationale for the new approach to assessing wages replacing existing wage tools, as well as to make clear the link between quality standards and Wage Grades and how these modify assessments to reflect the complexity of the work done and the quality to which it is done (not only the speed).

²⁶ The Assessor should explain the assessment procedure and the need for timings to the employer and any other parties with whom the assessment process has not already been discussed. The Assessor should put the employee at ease and take care to make the assessment as stress-free as possible (SWS Wage Assessment Guidelines)

Observation or monitoring should:

- be conducted in as natural and sensitive a manner as possible, so the employee is comfortable and relaxed
- be done independently of any ‘hands on’ assistance from supervisors, other employees or placement agency staff
- ensure the employee receives the same level of support and supervision that would be reasonably available to other people who do not have disability, such as being able to ask questions or discuss problems
- ensure the employee is free to stop and repeat the process if they feel uncomfortable (SWS Handbook).

Issue	Potential clarifications or adjustments to address this issue
Time spent on and off task	<ul style="list-style-type: none"> There was confusion about when timings should be stopped or paused or continued if an employee is off-task, and in some cases, reportedly a different practice between internal and independent assessors. There is a need for more clarity about this.
Support provided during timing	<ul style="list-style-type: none"> Clear guidance on the expectations of the levels of support that can be provided during assessments. This could include whether supported employees receive the same amount of support/ prompting as in their day-to-day work, can receive more/ less than they usually would, and expectations about stopping or pausing timings while they are receiving support.
Paid breaks	<ul style="list-style-type: none"> There was some uncertainty about how time for paid breaks should be accounted for in productivity results. Clear communication about the inclusion of this time at 100% productivity is required.
Other	<ul style="list-style-type: none"> A few ADE staff and management representatives queried whether an auditing process would be in place for assessments, for both internal and external assessments.

Recommendations

- Clarify the benchmarking process, including:
 - an appropriate approach where there is not an available comparator who regularly performs the tasks at 100% productivity
 - what constitutes validation by the independent assessor
 - considerations for setting an appropriate benchmark length.
- Consider developing a benchmark index of common tasks by industry type for ADEs to use as a reference point when benchmarking. This could be developed in working groups or during training sessions. It may not be possible to set benchmarks to be used across organisations, but the process could encourage ADEs to share strategies for developing appropriate benchmarks and an index could help ADEs sense check their benchmarks.
- Clarify (but not over-specify) what constitutes 'all major duties and tasks' in an ADE context where duties may change substantially based on contracts, seasons and/or rotating roles. Alternatively, revisit the proposed modification to time supported employees on a 'representative sample of duties and tasks', ensuring clarity so this can be consistently applied.
- Have independent assessors conduct assessments at least in the short-term.
- Consider whether internal assessments should be required (they are optional in the current guidelines) given the resourcing this would require and comments about limited staff capacity to conduct assessments.
- Clarify that internal and external assessments need to be conducted separately to capture variations in productivity.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.
- Identify a range of circumstances in which fewer than 3 timings of a task would be justified.
- Clarify that a supported employee should receive regular support during an assessment.

- Clarify when a timing should be paused or stopped or continued when a supported employee is off-task or requires support to continue with the task.
- Communicate clearly that covert timings are not allowed.
- Provide further guidance about virtual assessments and when and how these can be used.
- Provide a FAQ sheet addressing the issues encountered in this Trial.

THE NEW WAGE GRADES

The Trial experience and interviews highlighted confusion about the *Wage Grade Assessment Guidance* document and the application of the 2 new Wage Grades (Grades A and B) in respect to other Wage Grades under the Award (see Section 5.2.2 and 5.3.2).

Many ADE staff involved in the wage classification process wanted training on this, and/or clearer guidance documentation. During the Trial and in interviews there were requests for clearer step-by-step guidance on the gateway requirements and criteria within Grades A and B, and 1–7. Others suggested simpler language and examples or case studies would help in applying the classifications. A few expressed frustration that the Trial consultants could not comment or provide advice on the process during the Trial, and suggested a help desk function for wage grading questions in future rollout. One-off suggestions were for a definition of the intent of Grades A and B and for an indication of where people with particular disability types may fit within the Grades.

Recommendations

- Consider providing more detailed guidance on the 2 new Grades A and B and the changes to Grades 1–7, including:
 - clarification of the gateway requirements
 - case studies or examples by industries and/or roles.
- Consider how the definitions could be adjusted to prevent ADEs identifying that supported employees could fit in multiple categories.
- Consider providing guidance on situations where some of a supported employee's work could fit in one Grade and some in another.

MAINTENANCE OF CURRENT WAGE LEVELS

One of the ADEs currently using the SWS noted they had improved the accuracy of their benchmarking and assessments through the Trial process, and suggested if the aim of the transition to the new system is parity across the sector, those currently using the SWS should be able to decrease a wage to reflect a more accurate assessment.

6.3.4 TRAINING AND SUPPORT

The misunderstandings about the proposed new wage assessment structure identified in the Trial suggest the need for training and ongoing support during the transition. As well as being important to understanding the details of SWS assessments to apply, staff who had not attended the training (because they were new to the ADE or became involved at a later date) did not appear to have as much buy-in or understanding compared to those who had attended the training and understood the broader context. At some ADEs that experienced

staff turnover, having staff members able to consult with or guide newer staff members or those unable to attend training was important.

IMPROVEMENTS TO TRAINING

The most common **suggestion for improvement to the training** was to have face-to-face training including hands-on application of the new wage assessment structure. There were also requests for training on wage grading. Other suggestions were:

- tailoring the training materials to differing levels of experience with and knowledge of the SWS
- reconsidering the length of training
- providing physical information packs, or modules, which include case studies and practical examples relevant to different sectors
- including detailed question-and-answer sections
- including practical videos on examples of assessments in workplaces.

Suggestions for changes to specific content covered in the training should the proposed wage assessment structure be implemented included:

- providing clearer explanation of the benchmarking process, including identifying the comparator and independent validation
- tailoring the training to the ADE context
- explaining the role of independent assessors.

There were also challenges delivering training to a large group over Microsoft Teams, although small group activities involving independent assessors in breakout rooms helped with this.

There were also some challenges with new staff becoming involved in the Trial due to staff turnover or workloads, which suggests ongoing access to training will be important. Some suggested having a dedicated support person at the ADE who leads the rollout and undergoes more extensive training who can then both train staff internally and provide support. This could be similar to the Trial Coordinator assigned at each ADE during the Trial.

Recommendations

- Require those conducting assessments to be trained in implementation of the SWS in ADEs ahead of the transition, and consider how access to ADE-specific ongoing training in the SWS could best be made available.
- Consider providing training on Wage Grades under the Award.
- Consult with trainers about optimum training participant numbers – likely under 30.
- Streamline training by having a pre-module (online) for ADE staff about the elements of the SWS, prior to more practical (face-to-face, if possible) training in conducting the assessments for ADE staff and independent assessors.
- Consider the potential to group ADEs by business type for training to enable a focus on troubleshooting for particular contexts and discussion of appropriate benchmarks for similar tasks.

- Explore the potential to match independent assessors to ADEs at the time of training to establish collaboration for implementation.
- Consider including an assessment component of the training to ensure comprehension.
- Collect feedback on the training and adjust as needed to ensure it is supporting comprehension and practical application.

IMPROVEMENTS TO SUPPORT

It is clear from the experience of the Trial, in which ADE staff and independent assessors raised a range of questions throughout implementation, that one-off training will be insufficient to support ongoing implementation.

The most common suggestion for support for ADEs in future was to provide a **help desk** available to ADE staff and independent assessors. Many felt this support would be crucial to troubleshoot queries. Some ADE staff and independent assessors noted the importance of responsive and timely support.

[It would be good to have] the opportunity to maybe speak to somebody about, 'Okay, this is this person and where do you think they sit within that?'. I guess a point of call to make some clarifications, because you don't want to make it too direct, and you need to have it quite broad, but we're people, so we're all different and different disabilities and jobs and things, so someone to contact and go, 'Hey, this is what I'm thinking, am I on the right track?' I think would be really beneficial. [ADE Staff]

So, you really do need a help desk to bounce ideas off and actually tell you whether you're on the right track or not and without that, then you know, the chance of people doing the wrong thing is pretty high. [Trial Coordinator]

We've talked about that, that you'd want... It's a bit like when you transition and you put in the new Microsoft System, you have, obviously a high uptake initially, and then that peters out over a period of time. So, we definitely think a help desk. And more so the ability to call in a consultant on occasion, and do some work, you know, a bit of, 'Hey, you've got this series of questions. Can we workshop this with you?'. You know, having somebody, if [an independent assessor] isn't available to come in and go, 'Hey, this is where we're at, this is what we're doing' and they just provide expert oversight, I think would be valuable to ADE's, particularly to get it right long term. [CEO/ management representative]

[We will need] dedicated people that are there to explain any questions they have – same as what we had throughout the Trial. It is a technical and confusing process. I think it will be difficult for them to transition. People will have lots of questions on how it will work, especially ADEs that haven't been involved in this process in years. [Independent assessor]

From the experience of the Trial, this would require administrative coordination, and direction of queries to SMEs in the SWS and Wage Grades. As multiple SMEs would need to be involved, coordination would also be required to ensure consistency of advice.

Other suggestions included having:

- mentoring groups involving independent assessors to troubleshoot queries and discuss implementation
- one-to-one mentoring relationships between independent assessors and ADEs
- allowing assessors to visit ADEs on more than one occasion
- individual catch-ups with the SMEs
- support available on-site through a local allocated independent assessor or a trained ADE staff member
- a national working group facilitated independently
- access to support for dispute resolution.

Coordinated support for ADEs operating in the same industries could be useful as they were often grappling with similar questions about assessments.

The important role played by SMEs and independent assessors answering queries in the Trial suggests this role will be needed at least for the transition, although it may be possible that ADE staff could be trained to take on this role in the longer-term. There was some commentary that the need for support would be reduced as all became familiar with the new process.

Recommendations

- Provide a centralised help desk, at least during the transition, to coordinate support from Subject Matter Experts on the SWS with modifications.
- Consider providing a centralised help desk for application of the Wage Grades during the transition (particularly correctly applying the Grades across ADEs).
- Explore the potential for other ongoing supports, such as group-based supports for ADEs in similar industries to troubleshoot issues.

DATA COLLECTION TOOL

ADE staff had difficulties using the Excel templates developed for the purposes of recording wage outcomes. While there was no intention for this tool to be used in the future, some ADE staff requested standardised templates that internal and independent assessors could use to record assessment data. If a tool was established, there would be an opportunity to build in validation checks – such as duties not adding to 100%, fewer than 3 timings being completed, tasks not having quality standards documented, and productivity being over 100%.

In considering developing a data collection tool, it should be noted that as well as the difficulties with the Excel templates in this Trial, staff had substantial issues with the app created for a separate trial conducted in 2016, suggesting there could be difficulties in getting this right.

Recommendations

- Consider the benefits versus the costs and potential issues of developing a user-friendly assessment data collection tool for the new wage assessment structure.

6.3.5 FINANCIAL SUPPORTS

The financial analysis suggests that a substantial number of ADEs would find it difficult to absorb additional wage costs.

In interviews, some ADE staff specifically queried the availability of financial support to cover extra wage costs (though not all of those that raised viability concerns did so). Some ADE staff and management representatives also expressed concerns about the cost of assessments in terms of ADE staff time and independent assessor costs. Some mentioned the need for funding to support the transition more generally (which presumably would cover wage costs). While not all of the ADE staff who mentioned that assessments would not be feasible or would be difficult within their current staff capacity asked for funding support, it may be that they had not thought of this as a transition support.

A few mentioned they were unclear on who would pay for independent assessors: the ADEs or the Australian Government. Some were more positive about having an independent assessor involved in the new wage assessment structure if this was not a cost incurred by the ADE. In regional locations, there were some concerns about the cost of additional staff or assessors travelling to their location.

A small number of ADEs, generally those in manufacturing, noted the assessment process **wasted resources** as supported employees had to complete work that wasn't required to finish their assessments. For some, this required them to keep a backlog of product or interrupted production and was identified as an inefficient way to run the business.

Recommendations

- Provide funding for ADEs to absorb wage increases.
- Fund independent assessments.
- Consider whether funding would also be provided to support ADEs with the implementation process with consideration to:
 - the need for attendance at training to support quality implementation
 - the responsibilities of employers for conducting wage assessments
 - the reported additional time taken for SWS assessments compared to existing wage assessment tools
 - the potential for implementation to become more efficient over time.

6.4 WHAT ARE THE TRANSITION CONSIDERATIONS FOR INDEPENDENT ASSESSORS?

6.4.1 UNDERSTANDING THE ADE CONTEXT AND ABILITY TO WORK WITH SUPPORTED EMPLOYEES

When asked what independent assessors will need to understand if conducting assessments in ADEs, some ADE staff stressed the importance of assessors **understanding the ADE context**, having experience working with people with disabilities, understanding the industries the ADEs work in, and the nature of the duties and tasks performed at each outlet.

A few requested that the independent assessors have a **background working with people with disability** (not necessarily in conducting assessments), while a few others suggested independent assessors should possess certain **character traits**, such as empathy, flexibility and understanding. The importance of such experience and/or character traits were sometimes connected to comments about independent assessors being better able to **support the employees during assessments** to feel comfortable with the process.

One ADE staff member also noted the **dress code** of assessors on site needs to match the environment of the ADE in which they are assessing – for example, strict formal attire may intimidate the supported employees as this is not what staff typically wear.

6.4.2 MATCHING ASSESSORS TO ADES

ADE staff and assessors commonly identified the importance of having a consistent independent assessor assigned to ADEs. Several ADE staff noted the importance of both staff and supported employees establishing relationships with independent assessors. Some identified **familiarity** as important to ensuring supported employees feel comfortable with the assessor, which will ultimately produce a more accurate assessment. This was seen as particularly important for supported employees who get anxious during assessments, or more generally at work.

Some also noted that having assessors assigned to ADEs could also create efficiencies through reduced coordination and familiarity with assessors' working style, availability and approach.

There were some difficulties scheduling assessments with independent assessors in the Trial. Some ADE staff reported that their independent assessor lived far from their outlet during the Trial, which made coordination of assessments more difficult and time consuming. Some independent assessors also mentioned the difficulty of travelling between outlets, or different locations where the supported employees perform different tasks. They identified the importance of the location of the independent assessors assigned to their outlet/s in future to ensure **flexibility** in conducting assessments and scheduling to suit the ADE and supported employees.

6.4.3 CONSISTENCY OF EXTERNAL ASSESSMENTS

One CEO/ management representative questioned how it is possible to ensure the continuity of expertise among independent assessors, as well as what kinds of guarantees will be in place to ensure independent assessors are operating in a uniform way nationally across ADEs. There were a few comments about introducing a quality assurance process for rollout.

6.4.4 VARIATION IN TIME SPENT ON ASSESSMENTS

ADE staff and independent assessors suggested the allocation of independent assessors and the time spent doing these assessments would vary depending on the nature of the ADE, supported employees' disability types and their roles.

Some independent assessors stressed the importance of being able to liaise with a staff member at an ADE who understands the SWS process to expedite their time coordinating and completing assessments.

Recommendations

- Require assessors to complete SWS training for the ADE context,²⁷ which includes a focus on ADE operating environments and business contexts.
- Consider matching independent assessors to ADEs based on location, and scheduling assessments at larger ADEs in advance, noting that this would require amendments to the current system of allocating assessors.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.

6.5 WHAT POTENTIAL EFFICIENCIES MAY THERE BE IN THE PROCESS?

When asked about any potential for efficiencies in the assessment process in future, the most common suggestion (from both ADE staff and independent assessors) was to conduct **multiple assessments at once** (that is, timing many supported employees at once). However, some ADE staff felt that it would not be possible to conduct all assessments at once at their ADE due to the nature of the duties and tasks the supported employees perform, the way the ADE operates and/or the availability of the supported employees. Some ADEs preferred assessments to be spread over time to manage workload (see 6.3.2).

Some ADE staff and independent assessors suggested having a **historical dataset of benchmarks** would create efficiencies and support transition. Several independent assessors mentioned that having the benchmarks set before commencing assessments would help streamline the assessment process. One suggested having a **catalogue** of benchmarks assigned to job classifications, while another suggested an index or log of benchmarks across industries. However, the Trial suggests there would be difficulties with a catalogue of benchmarks for at least some tasks or at some ADEs, and that even having established benchmarks could be difficult for some ADEs, in which work varies according to contracts, unless simulated tasks could be established and products consistently available for simulated tasks. However, given the questions that arose around benchmarks, having some reference point for benchmarks could be useful.

Other less common considerations for efficiency mentioned by ADE staff and independent assessors included the following:

- **Implementation process:** conducting the benchmarking and assessments on the same day, internal and independent assessors conducting assessments one after another, or better integrating assessments into supported employees' day-to-day work.
- **Virtual assessments:** conducting virtual assessments where tasks are not able to be timed while an independent assessor is on site, as occurred for a handful of ADEs in the Trial in the COVID-19 context.

²⁷ Currently, there are no differences between SWS training in open and supported environments.

- **Shorter timings/ less units:** decreasing the amount of time/ units used in benchmarks to expedite the process. However, this would need to be balanced against concerns about the accuracy of shorter benchmarks.
- **Not assessing all duties/ tasks:** reducing the amount or proportion of tasks that supported employees are timed on. One suggested assessing a supported employee's best and worst task and taking an average of the two. However, this would be inconsistent with the current SWS guidelines.
- **Independent assessors:**
 - Consistently matching independent assessors to an ADE they are familiar with to ensure supported employees are comfortable with the assessor, and benchmarking and assessment decisions are consistent across the ADE. However, there was also one comment that this may create potential for bias.
 - Using independent assessors only as validators, rather than fully completing benchmarking timings.

Some also noted that the process could become more efficient after the initial implementation period.

6.6 WHAT ADJUSTMENTS COULD BE MADE THAT WOULD SUPPORT THE TRANSITION FOR SUPPORTED EMPLOYEES?

The Trial experience identified the need for clear communications for supported employees and their families, and support to understand the recommendations of wage changes, such as the interaction with the DSP.

6.6.1 A CHANGE MANAGEMENT PLAN APPROACH AND ASSOCIATED COMMUNICATIONS PLAN

The Trial identified the significant challenge in ensuring all supported employees understand the new wage assessment structure in a context where many may not have a good understanding of how their current wages are worked out and how this differs. The Trial also identified the importance of ongoing communication and reminders to sustain understanding. This would be important to ensuring supported employees understand the process enough to raise concerns if they have them.

Some stakeholders identified the need for communication from the FWC and/or DSS, and not just ADEs to send a clear and consistent message to supported employees, their support networks and the community.

The Trial also identified the need for communications to include the rationale for the new wage assessment structure and address potential concerns, such as about the interaction of wages and the DSP, health concession cards, NDIS funding, and other supports, and the need for tax returns.

Recommendations

- Start communicating information about the new wage assessment structure to supported employees and their support networks months in advance to prepare them for the transition.
- Provide ongoing communication from the FWC or DSS to support understanding.
- Provide communications that include the rationale for the changes and how to make informed decisions about the interaction between wages, working hours and the DSP.

6.6.2 ENGAGE SUPPORT NETWORKS

Families can play an important role in supporting supported employees. The Trial also identified that some families and/or support networks may have their own concerns about the new wage assessment structure and how this could impact on the DSP.

Recommendations

- Communicate with families about the new wage assessment structure, where this is required and desired by the supported employee.

6.6.3 INFORMATION MATERIALS ABOUT THE NEW WAGE ASSESSMENT STRUCTURE

The communications produced for the Trial had to meet the requirements for gaining informed consent for the Trial and evaluation. For the transition, adjustments would need to be made to support understanding of the new wage assessment structure and its recommendations.

Stakeholders identified the need for materials in different formats, including written information (in both plain English and Easy Read) and for information to be short, clear and direct. There were suggestions for flyers, infographics, posters and short and engaging videos (of no longer than 3 minutes). It was suggested this information could be distributed through letters, newsletters and emails, social media posts and information sessions.

There were also suggestions to tailor information (particularly imagery) to different types of ADEs (as many offer similar services) to ensure it is relevant to supported employees, but this would be difficult to do while ensuring consistency at a national level.

Recommendations

- Provide communications material in a range of formats for supported employees and their families/ support networks to understand the transition and the new wage assessment structure.

6.6.4 SUPPORT

Stakeholders identified the need to support supported employees to understand the new wage assessment structure and make informed decisions about their working hours, particularly in relation to the DSP. ADE staff talked about the importance of providing detailed information for supported employees that outlined the impact of increased wages

on their DSP so that supported employees (and their families, if appropriate) could make an informed decision regarding future working hours as some may not understand that they would remain financially better off even if their DSP reduced.

My personal opinion is that for some people that would see a major increase, they would drop days as they wouldn't want to have a major impact on their Centrelink, with that comes their concession card, rent assistance, that kind of stuff. Those guys would need support to understand the impact the wage would have on those supports.
[ADE staff]

The Trial experience identified that some supported employees will lack supports to understand this process.

Suggestions included having face-to-face group information sessions (with subject matter experts and opportunities for people to ask questions), one-on-one meetings to accommodate different preferences and circumstances, as well as toolbox meetings in ADEs.

Recommendations

- Hold information sessions for supported employees and their support networks.
- Provide a centralised help desk during the transition to help supported employees and their support networks to understand the new wage assessment structure.
- Provide supported employees with information and support to make informed decisions about their working hours if their wage increases will affect their DSP.
- Provide supported employees with information and support to understand their responsibilities around tax returns if they need to provide these for the first time.

6.6.5 SUPPORT FOR ASSESSMENTS

Supported employees valued the opportunity to meet independent assessors ahead of time. This helps to build rapport and enables supported employees to feel more comfortable when the time comes to do their assessment. Supported employees also preferred to be reminded about their assessment before the day it was due to occur.

During the assessments, it is important to clearly explain the task, when to start and stop, and appear focused and attentive throughout the process without standing over the supported employee. According to ADE staff, ongoing encouragement and reassurance is also necessary for some employees, and creating a comfortable environment and relaxed atmosphere while the timings were taking place helped put supported employees at ease.

Recommendations

- Give adequate notice to supported employees for their assessments.
- Build in time to the assessment process to enable supported employees to meet assessors ahead of their timings so they are comfortable.
- Clearly explain the task and when to start and stop.
- Align with supported employees' normal schedules (where possible), keep the environment as close to the normal work environment as possible and remain unobtrusive but focused to minimise supported employees' potential anxiety.

APPENDIX 0 TRIAL SAMPLE

A0.1 ADE CHARACTERISTICS

TABLE A1. ADE LOCATION

	2021 Trial		Population data	
	N	%	N	%
Major City	12	43%	85	53%
Regional	15	54%	73	45%
Remote	1	3%	3	2%
Total	28	100%	161	100%

*Source: 2021 Trial data and ADE population data.

**Note: Population data updated at November 2021.

TABLE A2. ADE SIZE

	2021 Trial		Population data	
	N	%	N	%
Large	4	14%	19	12%
Medium	19	68%	109	68%
Small	5	18%	32	20%
Total	28	100%	160	100%
Missing			1	

*Source: 2021 Trial data.

**Note: Population data updated at November 2021.

TABLE A3. ADE WAGE TOOL

	2021 Trial		Population data	
	N	%	N	%
Greenacres	12	43%	40	28%
SWS	5	18%	39	27%
Skillsmaster	6	21%	35	24%
FWS	3	11%	5	3%
Other	2	6%	24	17%
Total	28	99%	143	99%
Missing			18	

*Source: 2021 Trial data.

**Note: Population data updated at November 2021.

***Note: Total percentage may sum to less than 100% as percentages are rounded to the nearest whole number.

A0.2 SUPPORTED EMPLOYEE DEMOGRAPHICS AND CHARACTERISTICS

TABLE A4. SUPPORTED EMPLOYEES BY GENDER – TRIAL COMPARED TO ADE POPULATION

Gender	2021 Trial		2016 population data	
	N	%	N	%
Male	252	66%	11,240	65%
Female	127	34%	5,982	35%
Total	379	100%	17,222	100%
Missing			1	

*Source: 2021 and 2016 Trial assessment data.

**Note: Overall SE population data was not available in 2021, so we have references population data provided in 2016 as an indicative check on the representativeness of the sample by key characteristics.

TABLE A5. SUPPORTED EMPLOYEES BY AGE – TRIAL COMPARED TO ADE POPULATION

Age	2021 Trial		2016 population data	
	N	%	N	%
18-24	38	10%	2,096	12%
25-34	108	28%	4,041	23%
35-44	76	20%	3,659	21%
45-54	86	23%	4,188	24%
55-64	53	14%	2,637	15%
65-74	18	5%	602	3%
Total	379	100%	17,223	98%

*Source: 2021 and 2016 Trial assessment data.

**Note: Overall SE population data was not available in 2021, so we have references population data provided in 2016 as an indicative check on the representativeness of the sample by key characteristics.

***Note: Total percentage may sum to less than 100% as percentages are rounded to the nearest whole number.

TABLE A6. SUPPORTED EMPLOYEES BY PRIMARY DISABILITY TYPE – TRIAL COMPARED TO ADE POPULATION

Disability Type	2021 Trial		2016 population data	
	N	%	N	%
Intellectual	268	71%	11,102	65%
Autism Spectrum Disorder/ Asperger's Disorder	26	7%	1,204	7%
Psychiatric	22	6%	1,619	9%
Down syndrome	17	4%	463	3%
Physical	11	3%	895	5%
Cerebral palsy	10	3%	155	1%
Other	6	2%	496	3%
Acquired brain injury	5	1%	466	3%
ADD/ADHD	5	1%	52	0%
Developmental delay	3	1%	0	0%
Neurological	3	1%	349	2%
Hearing Impaired	2	1%	185	1%
Visually Impaired	1	0%	214	1%
Total	379	101%	17,200	100%
Missing			23	

*Source: 2021 and 2016 Trial assessment data.

**Note: Overall SE population data was not available in 2021, so we have references population data provided in 2016 as an indicative check on the representativeness of the sample by key characteristics. Total percentage may sum to greater than 100% as percentages are rounded to the nearest whole number.

TABLE A7. SUPPORTED EMPLOYEES BY EMPLOYEE INDUSTRY TYPE

Industry	N	%
Manufacturing	196	52%
Other Services	109	29%
Transport, Postal and Warehousing	23	6%
Agriculture, Forestry and Fishing	19	5%
Gardening	9	2%
Administrative and Support Services	8	2%
Accommodation and Food Services	6	2%
Retail Trade	6	2%
Electricity, Gas, Water and Waste Services	3	1%
Total	379	101%

*Source: 2021 Trial assessment data.

**Note: Total percentage may sum to greater than 100% as percentages are rounded to the nearest whole number. There is no comparative data for the ADE population.

TABLE A8. SUPPORTED EMPLOYEES WHO WORK IN FIELD OR SITE ROLES OR BOTH

Field or site	N	%
Site	288	76%
Field	62	16%
Both	29	8%
Total	379	100%

*Source: 2021 Trial assessment data.

TABLE A9. NUMBER OF SUPPORTED EMPLOYEES BY START DATE

Start year	N	%
1959 - 1990	45	12%
1991 - 2000	48	13%
2001 - 2010	99	26%
2010 - 2021	184	49%
Total	376	100%
Missing	3	

*Source: 2021 Trial assessment data.

A0.3 INTERVIEWEES COMPARED TO TRIAL SAMPLE

TABLE A10. SUPPORTED EMPLOYEES BY GENDER – INTERVIEWEES COMPARED TO FULL TRIAL SAMPLE

Gender	Full sample		Supported employees interviewed	
	N	%	N	%
Male	252	66%	145	66%
Female	127	34%	74	34%
Total	379	100%	219	100%

*Source: 2021 Trial assessment data.

TABLE A11. SUPPORTED EMPLOYEES BY AGE – INTERVIEWEES COMPARED TO FULL TRIAL SAMPLE

Age	Full sample		Supported employees interviewed	
	N	%	N	%
18-24	38	10%	29	13%
25-34	108	28%	68	31%
35-44	76	20%	36	16%
45-54	86	23%	52	24%
55-64	53	14%	27	12%
65-74	18	5%	7	3%
Total	379	100%	219	100%

*Source: 2021 Trial assessment data.

TABLE A12. SUPPORTED EMPLOYEES BY PRIMARY DISABILITY TYPE – INTERVIEWEES COMPARED TO FULL TRIAL SAMPLE

Supported employee disability type	Full sample		Supported employees interviewed	
	N	%	N	%
Intellectual	268	71%	160	73%
Other	63	17%	38	17%
Autism Spectrum Disorder/ Asperger's Disorder	26	7%	18	8%
Psychiatric	22	6%	3	1%
Total	379	101%	219	99%

*Source: 2021 Trial assessment data.

**Note: total percentage may sum to less or greater than 100% as percentages are rounded to the nearest whole number.

APPENDIX 1 ADDITIONAL IMPLEMENTATION DATA

**TABLE A13. NUMBER OF TIMES TASKS WERE TIMED FOR INTERNAL ASSESSMENTS –
– DESCRIPTIVE STATISTICS**

Number of tasks assessed	
N	1112
Mean	3.06
Median	3
Std Dev	0.78
Minimum	1
Maximum	8

*Source: 2021 Trial assessment data.

**TABLE A14. NUMBER OF TIMES TASKS WERE TIMED FOR EXTERNAL ASSESSMENTS –
– DESCRIPTIVE STATISTICS**

Number of tasks assessed	
N	1118
Mean	3.01
Median	3.00
Std Dev	0.61
Minimum	1
Maximum	8

*Source: 2021 Trial assessment data.

TABLE A15. BENCHMARK TIMINGS FOR TASKS THAT WERE TIMED - DESCRIPTIVE STATISTICS

	Benchmark (mins)
N	897
Mean	4.47
Median	3.25
Std Dev	4.70
Minimum	0.15
Maximum	48.00

*Source: 2021 Trial assessment data.

**Note: Timing for benchmarks is in minutes. For analysis it was not feasible to translate units into times.

APPENDIX 2 SUPPORTED EMPLOYEE DETAILED ASSESSMENT OUTCOMES

A2.1 OVERALL PRODUCTIVITY OUTCOMES

TABLE A16. 50:50 PRODUCTIVITY OUTCOMES

Productivity outcomes	
N	379
Mean	61%
Median	62%
Std Dev	22%
Min	8%
Max	100%

*Source: 2021 Trial assessment data.

TABLE A17. EMPLOYEES WITH < 12.5% PRODUCTIVITY – 50:50

Productivity	N	%
Productivity equal to or greater than 12.5%	375	99%
Productivity less than 12.5%	4	1%
Total	379	100%

*Source: 2021 Trial assessment data.

TABLE A18. EMPLOYEES WITH < 12.5% PRODUCTIVITY – INTERNAL ASSESSMENTS

Productivity	N	%
Productivity equal to or greater than 12.5%	305	99%
Productivity less than 12.5%	4	1%
Total	309	100%

*Source: 2021 Trial assessment data.

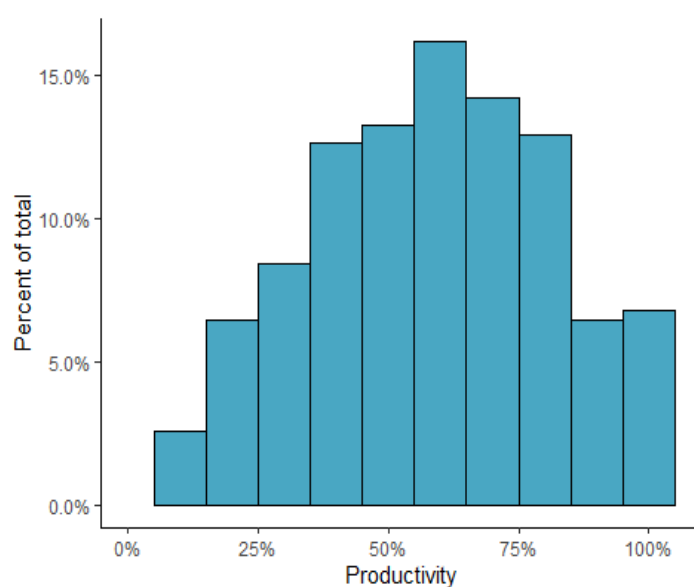
**Note: Supported employees with simultaneous timings included in their assessments were excluded.

TABLE A19. EMPLOYEES WITH < 12.5% PRODUCTIVITY – EXTERNAL ASSESSMENTS

Productivity	N	%
Productivity equal to or greater than 12.5%	304	98%
Productivity less than 12.5%	5	2%
Total	309	100%

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

FIGURE A1. PRODUCTIVITY OF SUPPORTED EMPLOYEES IN TRIAL – INTERNAL ASSESSMENTS ONLY

*Source: 2021 Trial assessment data.

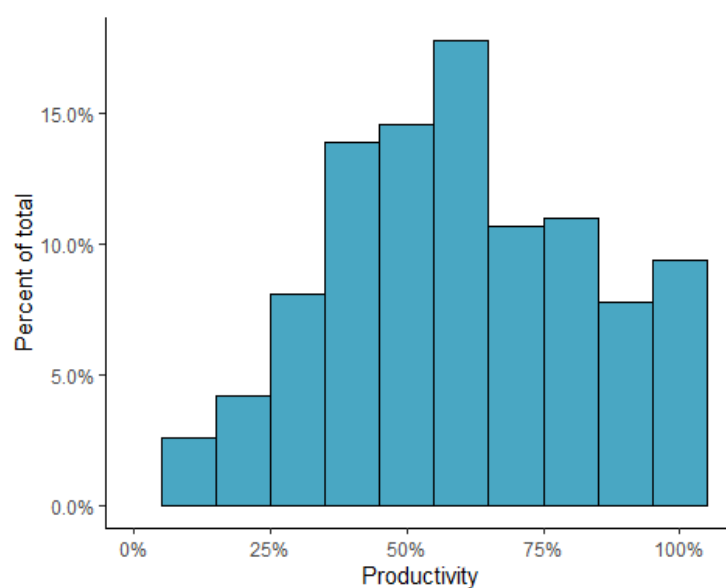
TABLE A20. PRODUCTIVITY OF SUPPORTED EMPLOYEES IN TRIAL – INTERNAL ASSESSMENTS ONLY

Productivity outcomes	
N	309
Mean	58%
Median	59%
Std Dev	23%
Min	7%
Max	100%

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

FIGURE A2. PRODUCTIVITY OF SUPPORTED EMPLOYEES IN TRIAL – EXTERNAL ASSESSMENTS ONLY



*Source: 2021 Trial assessment data.

TABLE A21. PRODUCTIVITY OF SUPPORTED EMPLOYEES IN TRIAL – EXTERNAL ASSESSMENTS ONLY

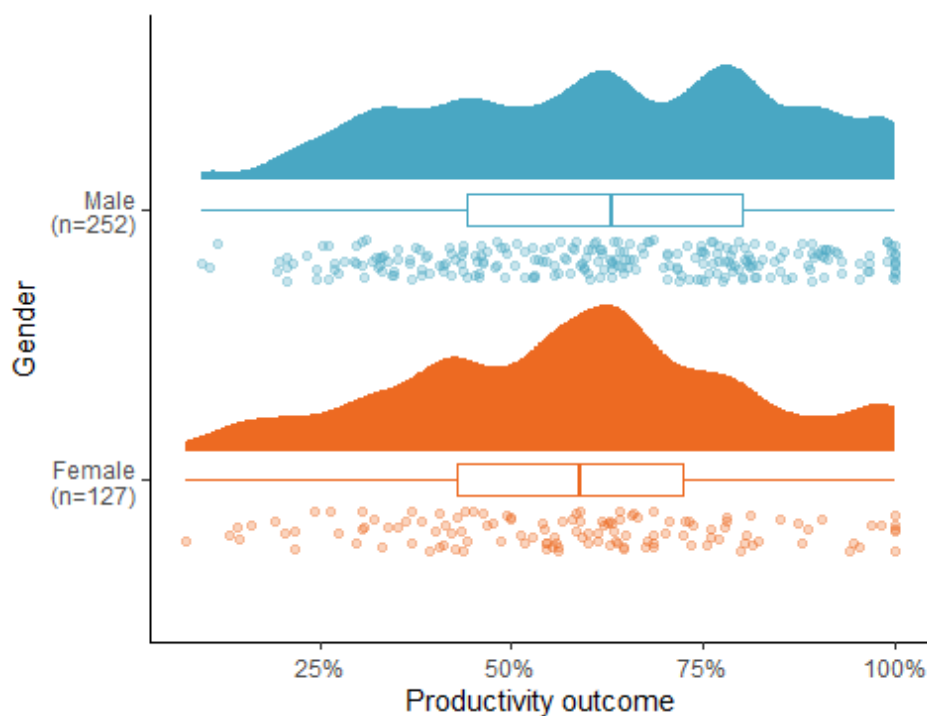
Productivity outcomes	
N	309
Mean	59%
Median	59%
Std Dev	23%
Min	8%
Max	100%

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

A2.2 PRODUCTIVITY OUTCOMES BY KEY DEMOGRAPHICS

FIGURE A3. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY GENDER

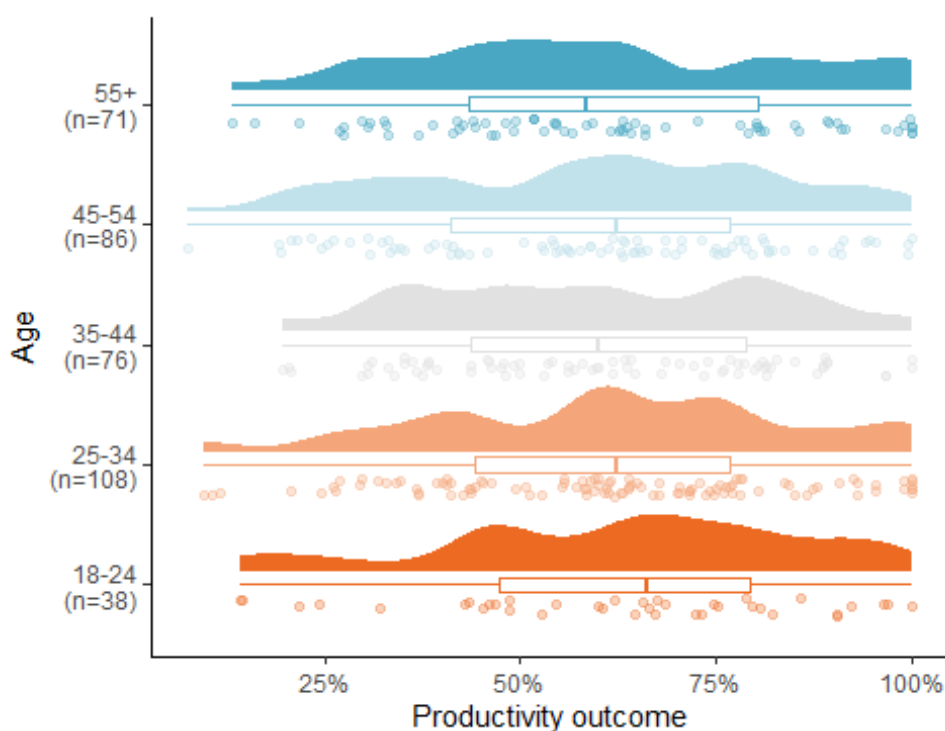


*Source: 2021 Trial assessment data.

TABLE A22. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY GENDER

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Male	252	62%	63%	23%	10%	100%	44%	80%
Female	127	58%	59%	22%	8%	100%	43%	73%

*Source: 2021 Trial assessment data.

FIGURE A4. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY AGE

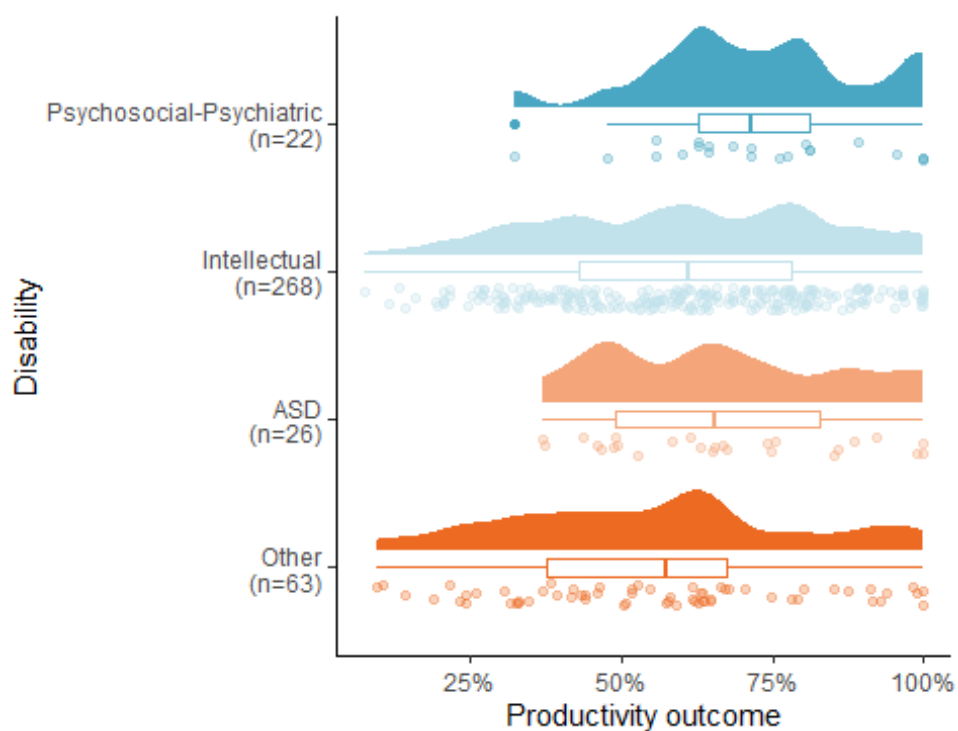
*Source: 2021 Trial assessment data.

TABLE A23. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY AGE

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
18-24	38	63%	66%	0.23	0.14	100%	0.47	0.80
25-34	108	62%	62%	0.22	0.10	100%	0.44	0.77
35-44	76	60%	60%	0.21	0.20	100%	0.44	0.79
45-54	86	59%	62%	0.23	0.08	100%	0.41	0.77
55+	71	60%	58%	0.24	0.13	100%	0.43	0.80

*Source: 2021 Trial assessment data.

FIGURE A5. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY PRIMARY DISABILITY TYPE

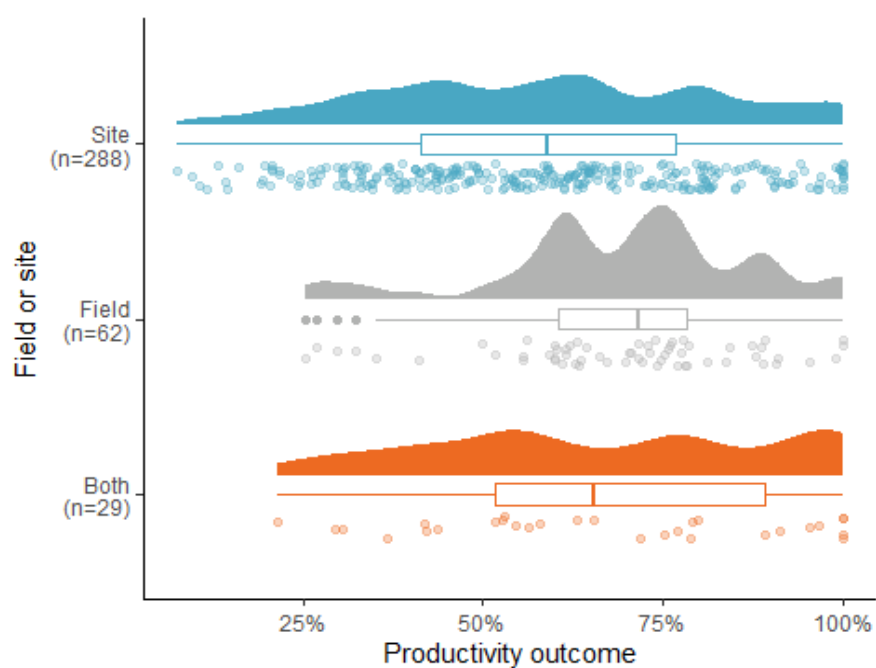


*Source: 2021 Trial assessment data.

TABLE A24. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY PRIMARY DISABILITY TYPE

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Intellectual	268	61%	61%	22%	8%	100%	43%	78%
Other	63	55%	57%	24%	10%	100%	37%	68%
ASD	26	67%	65%	20%	37%	100%	49%	85%
Psychosocial-Psychiatric	22	73%	72%	18%	32%	100%	63%	81%

*Source: 2021 Trial assessment data.

FIGURE A6. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY FIELD OR SITE

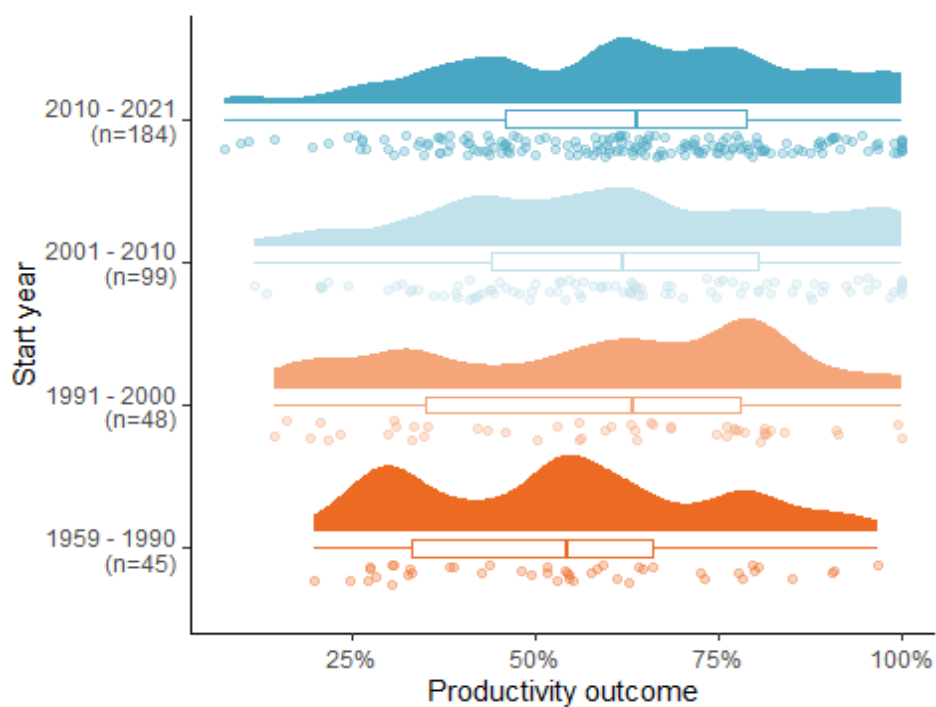
*Source: 2021 Trial assessment data.

TABLE A25. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY FIELD OR SITE

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Site	288	59%	59%	23%	8%	100%	41%	77%
Field	62	69%	72%	17%	25%	100%	60%	78%
Both	29	67%	65%	24%	22%	100%	52%	89%

*Source: 2021 Trial assessment data.

FIGURE A7. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY START DATE (YEAR)

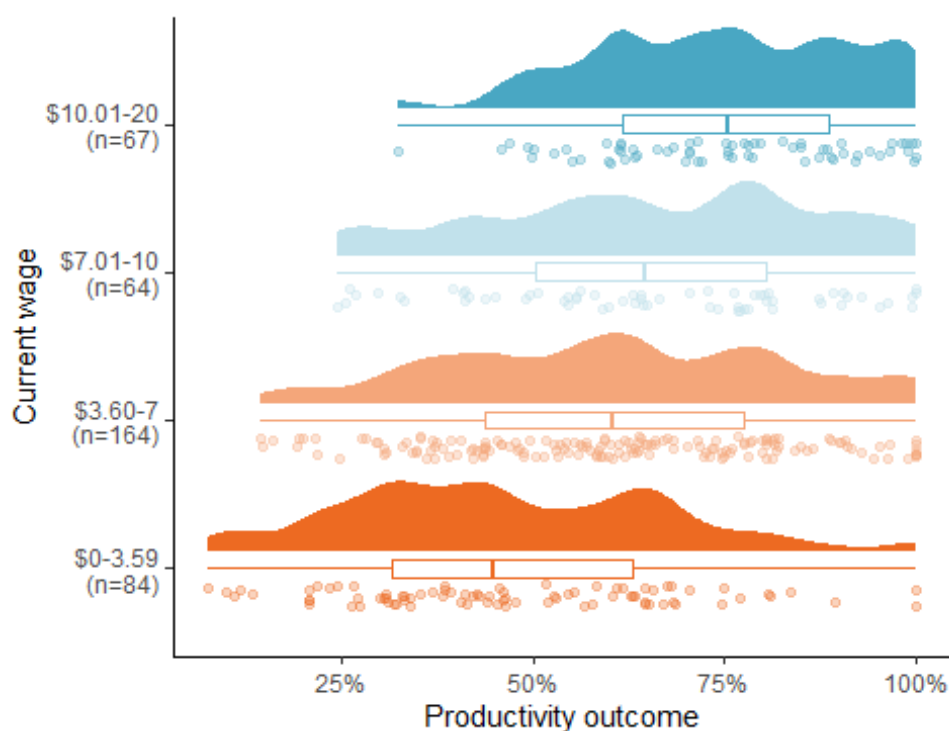


*Source: 2021 Trial assessment data.

TABLE A26. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY START DATE (YEAR)

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
1959 - 1990	45	54%	54%	20%	20%	97%	33%	66%
1991 - 2000	48	59%	63%	24%	14%	100%	35%	78%
2001 - 2010	99	62%	62%	23%	12%	100%	44%	80%
2010 - 2021	184	63%	64%	22%	8%	100%	46%	79%

*Source: 2021 Trial assessment data.

FIGURE A8. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY CURRENT WAGE

*Source: 2021 Trial assessment data.

TABLE A27. SUPPORTED EMPLOYEE PRODUCTIVITY OUTCOME – BY CURRENT WAGE

	N	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
< \$3.59	84	47%	45%	21%	8%	100%	31%	63%
\$3.60-7	164	60%	60%	22%	14%	100%	44%	78%
\$7.01-10	64	66%	65%	21%	24%	100%	50%	81%
\$10.01-20	67	75%	76%	16%	32%	100%	62%	89%

*Source: 2021 Trial assessment data.

A2.3 OVERALL WAGE GRADE OUTCOMES

TABLE A28. OVERALL WAGE GRADE OUTCOMES

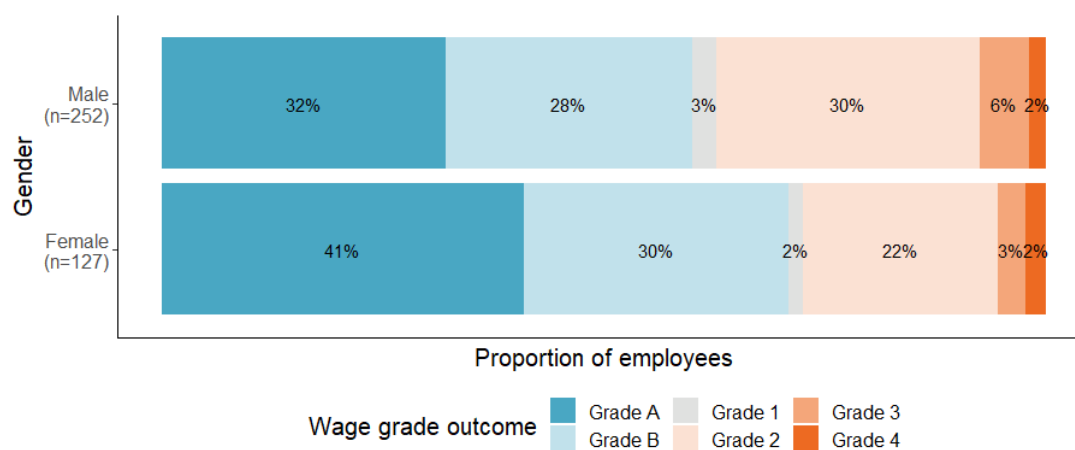
Wage Grade	N	%
Grade A	133	35%
Grade B	108	28%
Grade 1	9	2%
Grade 2	103	27%
Grade 3	18	5%
Grade 4	8	2%
Total	379	99%

*Source: 2021 Trial assessment data.

**Note: Total percentage may sum to less than 100% as percentages are rounded to the nearest whole number.

A2.4 WAGE GRADE OUTCOMES BY KEY DEMOGRAPHICS

FIGURE A9. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY GENDER

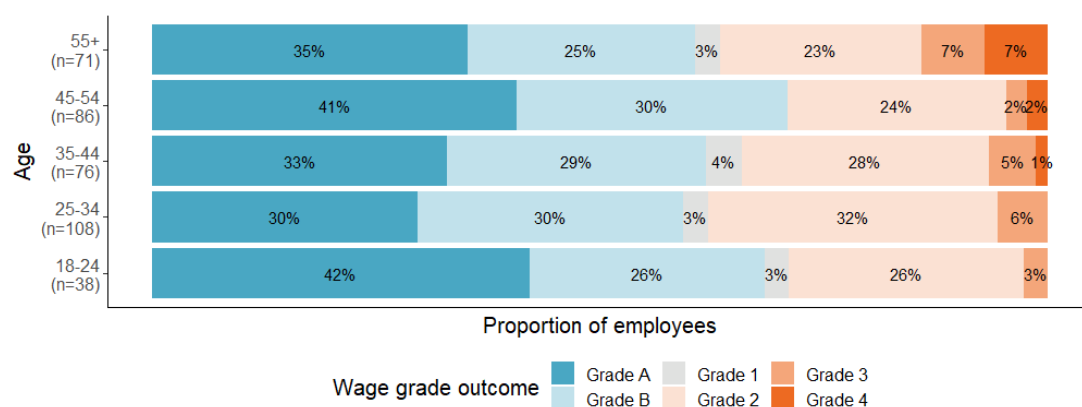


*Source: 2021 Trial assessment data.

TABLE A29. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY GENDER

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
Female	52	38	2	28	4	3	127
Male	81	70	7	75	14	5	252
Total	133	108	9	103	18	8	379

*Source: 2021 Trial assessment data.

FIGURE A10. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY AGE GROUP

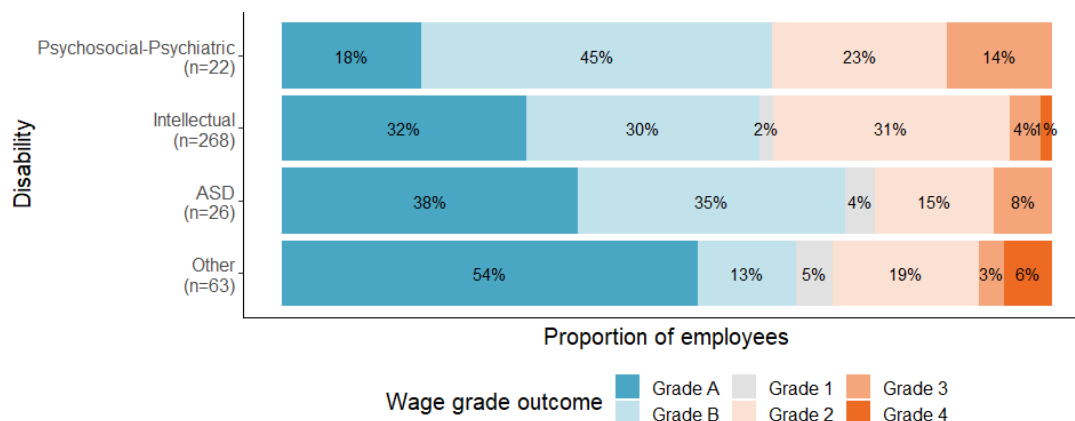
*Source: 2021 Trial assessment data.

TABLE A30. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY AGE GROUP

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
18-24	16	10	1	10	1	0	38
25-34	32	32	3	35	6	0	108
35-44	25	22	3	21	4	1	76
45-54	35	26	0	21	2	2	86
55+	25	18	2	16	5	5	71
Total	133	108	9	103	18	8	379

*Source: 2021 Trial assessment data.

FIGURE A11. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY PRIMARY DISABILITY TYPE



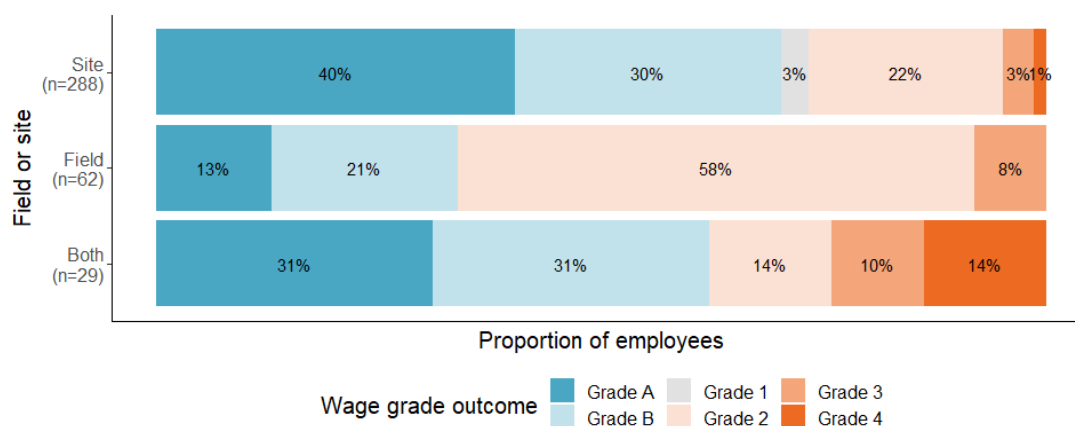
*Source: 2021 Trial assessment data.

TABLE A31. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY PRIMARY DISABILITY TYPE

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
Intellectual	85	81	5	82	11	4	268
Other	34	8	3	12	2	4	63
ASD	10	9	1	4	2	0	26
Psychosocial-Psychiatric	4	10	0	5	3	0	22
Total	133	108	9	103	18	8	379

*Source: 2021 Trial assessment data.

FIGURE A12. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY FIELD OR SITE

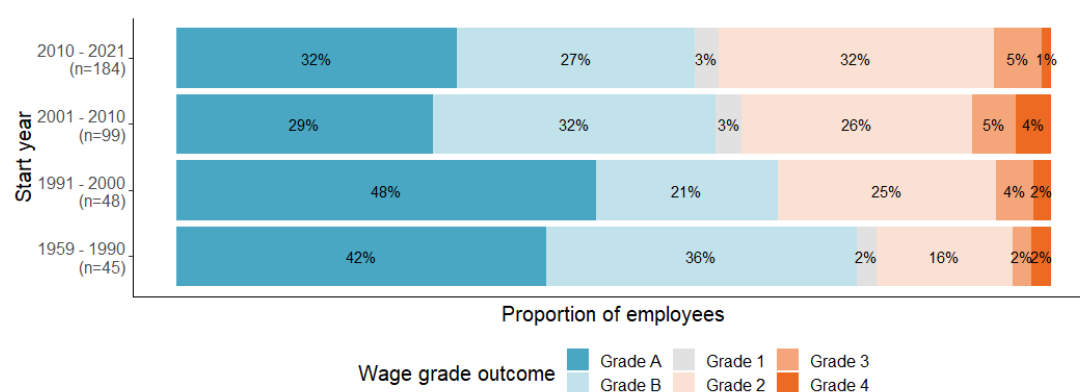


*Source: 2021 Trial assessment data.

TABLE A32. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY FIELD OR SITE

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
Site	116	86	9	63	10	4	288
Field	8	13	0	36	5	0	62
Both	9	9	0	4	3	4	29
Total	133	108	9	103	18	8	379

*Source: 2021 Trial assessment data.

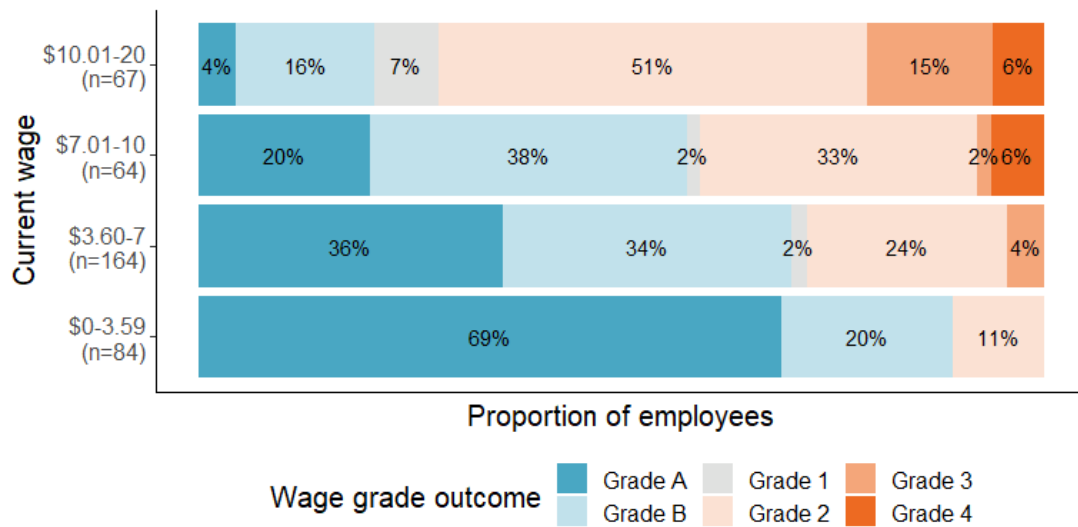
FIGURE A13. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY START YEAR

*Source: 2021 Trial assessment data.

TABLE A33. SUPPORTED EMPLOYEE WAGE GRADE OUTCOME – BY START YEAR

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
1959 - 1990	19	16	1	7	1	1	45
1991 - 2000	23	10	0	12	2	1	48
2001 - 2010	29	32	3	26	5	4	99
2010 - 2021	59	50	5	58	10	2	184
Total	130	108	9	103	18	8	376

*Source: 2021 Trial assessment data.

FIGURE A14. SUPPORTED EMPLOYEES WAGE GRADE OUTCOME – BY CURRENT WAGE

*Source: 2021 Trial assessment data.

FIGURE A15. SUPPORTED EMPLOYEES WAGE GRADE OUTCOME – BY CURRENT WAGE

	Grade A	Grade B	Grade 1	Grade 2	Grade 3	Grade 4	Total
≤ \$3.59	58	17	0	9	0	0	84
\$3.60-7	59	56	3	39	7	0	164
\$7.01-10	13	24	1	21	1	4	64
\$10.01-20	3	11	5	34	10	4	67
Total	133	108	9	103	18	8	379

*Source: 2021 Trial assessment data.

A2.5 CURRENT WAGES AND WORKING HOURS

TABLE A34. SUPPORTED EMPLOYEE WEEKLY WORKING HOURS – DESCRIPTIVE STATISTICS

Weekly hours	
Mean	22.30
Median	21.00
Std Dev	9.68
Minimum	3.50
Maximum	38.00

*Source: 2021 Trial assessment data.

**Note: Data available for all 379 in the sample.

TABLE A35. SUPPORTED EMPLOYEE WEEKLY WORKING DAYS

Days worked a week	N	%
< 1 day	13	3%
1–2 days	114	30%
2–3 days	91	24%
3–4 days	67	18%
4–5 days	61	16%
5 days	33	9%
Total	379	100%

*Source: 2021 Trial assessment data.

**Note: These frequencies were calculated based on 7.5 hour days

TABLE A36. CURRENT WAGE OF SUPPORTED EMPLOYEES – DESCRIPTIVE STATISTICS

Current wage level	
Mean	\$6.51
Median	\$5.61
Std Dev	\$3.58
Minimum	\$1.60
Maximum	\$19.83

*Source: 2021 Trial assessment data.

**Note: Data available for all 379 in the sample.

TABLE A37. CURRENT WAGE OF SUPPORTED EMPLOYEES

Current wages	N	%
≤\$3.59	84	22%
\$3.60-\$7.00	164	43%
\$7.01-\$10.00	64	17%
\$10.01-\$20.00	67	18%
Total	379	100%

*Source: 2021 Trial assessment data.

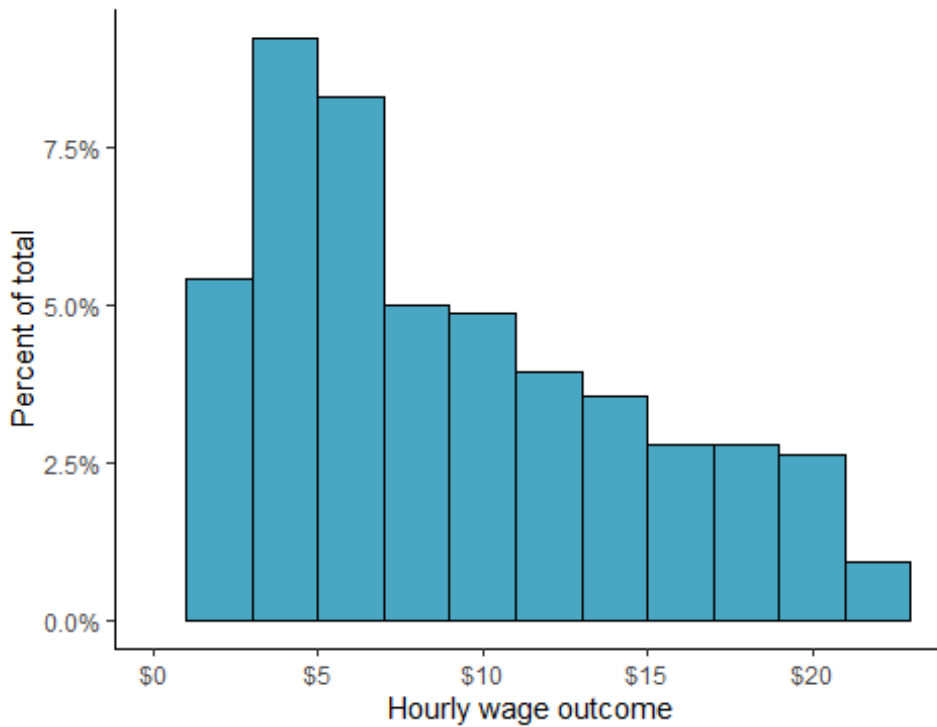
A2.6 HOURLY WAGE OUTCOMES CALCULATED FOR DIFFERENT ELEMENTS OF THE NEW WAGE ASSESSMENT STRUCTURE

TABLE A38. HOURLY WAGE OUTCOMES DESCRIPTIVE STATISTICS – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Hourly wage outcome	
Mean	\$9.77
Median	\$8.66
Std Dev	\$5.26
Minimum	\$3.59
Maximum	\$22.06

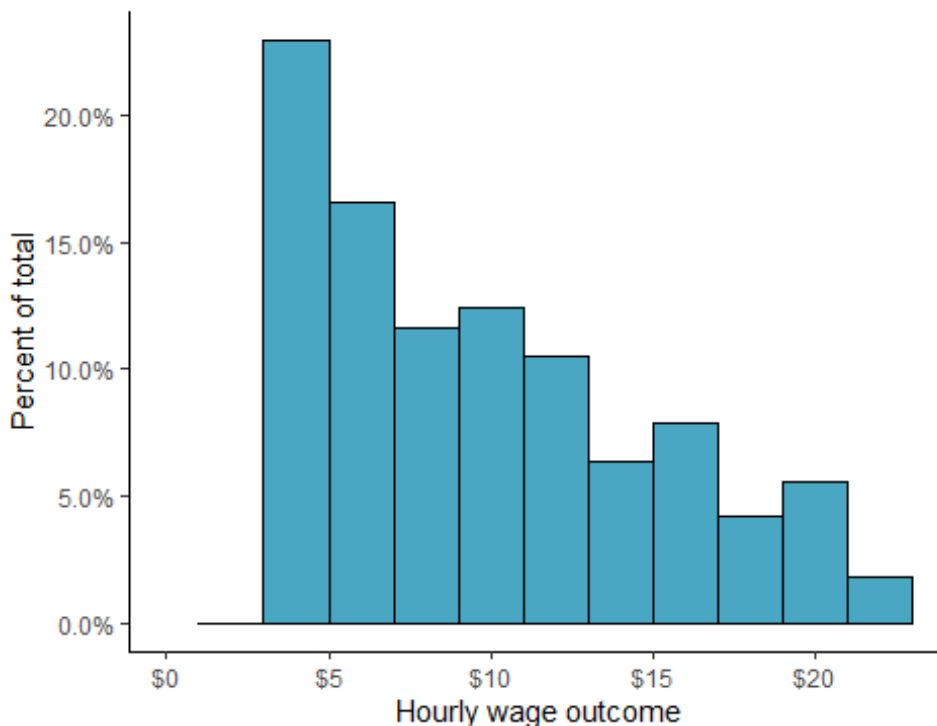
*Source: 2021 Trial assessment data.

FIGURE A16. HOURLY WAGE OUTCOMES – 50:50 ASSESSMENT AND NO MINIMUM WAGE FLOOR



*Source: 2021 Trial assessment data.

FIGURE A17. HOURLY WAGE OUTCOMES – INTERNAL ASSESSMENT ONLY WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

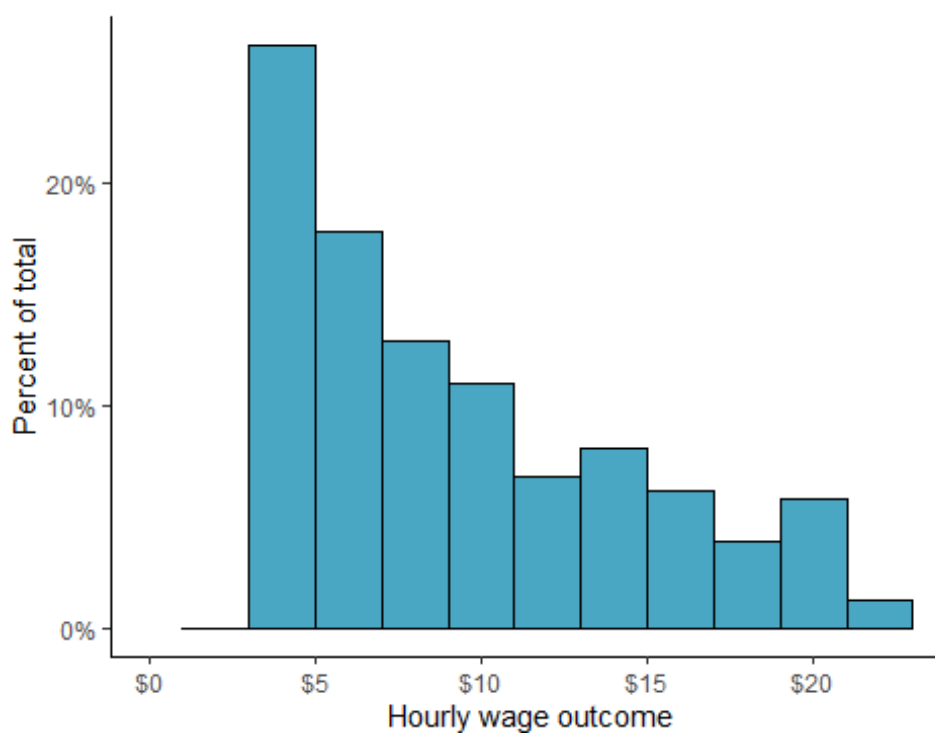
TABLE A39. HOURLY WAGE OUTCOMES DESCRIPTIVE STATISTICS – INTERNAL ASSESSMENT ONLY WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Hourly wage outcome	
N	309
Mean	\$9.12
Median	\$7.85
Std Dev	\$5.01
Minimum	\$3.59
Maximum	\$21.92

*Source: 2021 Trial assessment data

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

FIGURE A18. HOURLY WAGE OUTCOMES – EXTERNAL ASSESSMENT ONLY WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

TABLE A40. HOURLY WAGE OUTCOMES DESCRIPTIVE STATISTICS– EXTERNAL ASSESSMENT ONLY WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Hourly wage outcome	
N	309
Mean	\$9.35
Median	\$7.93
Std Dev	\$5.21
Minimum	\$3.59
Maximum	\$22.21

*Source: 2021 Trial assessment data

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

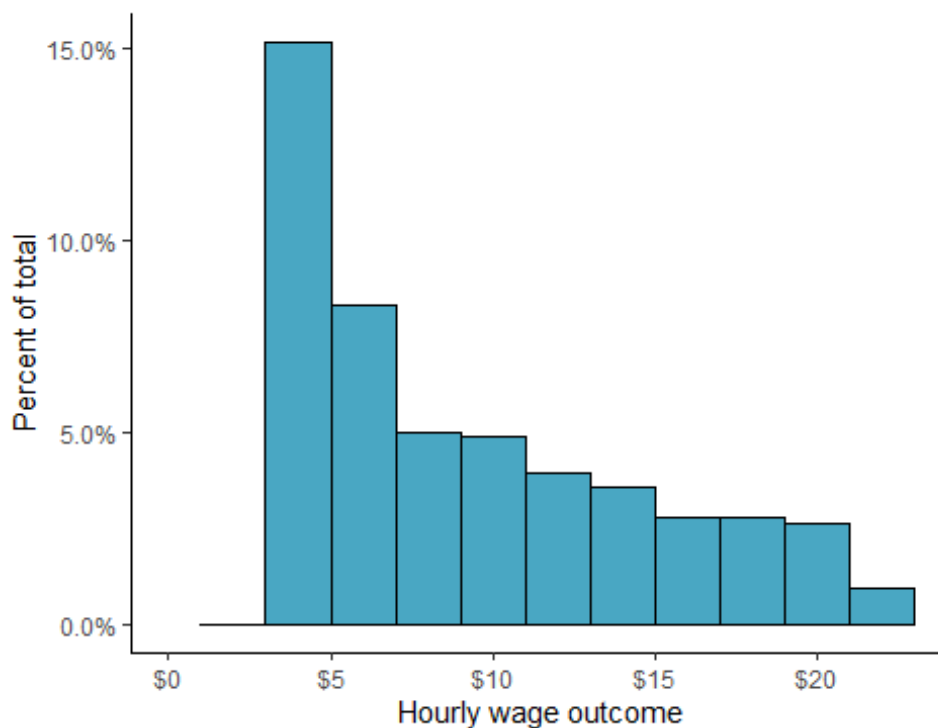
TABLE A41. HOURLY WAGE OUTCOMES DESCRIPTIVE STATISTICS – 50:50 ASSESSMENT AND NO MINIMUM WAGE FLOOR

Hourly wage outcome	
Mean	\$9.05
Median	\$7.61
Std Dev	\$5.62
Minimum	\$0.70
Maximum	\$22.06

*Source: 2021 Trial assessment data.

**Note: Data for 379 in the sample.

FIGURE A19. HOURLY WAGE OUTCOMES– 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR, NO CURRENT WAGE FLOOR



*Source: 2021 Trial assessment data.

TABLE A42. HOURLY WAGE OUTCOMES DESCRIPTIVE STATISTICS – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR, NO CURRENT WAGE FLOOR

Hourly wage outcome	
N	379
Mean	\$9.24
Median	\$7.61
Std Dev	\$5.40
Minimum	\$3.59
Maximum	\$22.06

*Source: 2021 Trial assessment data

TABLE A43. WAGE OUTCOMES LOWER THAN CURRENT WAGE – WITHOUT CURRENT WAGE FLOOR

	Wage outcome equal to or greater than current wage		Wage outcome less than current wage		Total	
	n	%	n	%	n	%
Grade A or B	166	69%	75	31%	241	100%
Grade 1-4	120	87%	18	13%	138	100%
Total	286	76%	93	24%	379	100%

*Source: 2021 Trial assessment data.

A2.7 HOURLY WAGE OUTCOMES BY KEY DEMOGRAPHICS

TABLE A44. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY PRIMARY DISABILITY TYPE

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Other	63	\$8.84	\$7.93	\$5.28	\$3.59	\$22.06	\$4.00	\$11.42
ASD	26	\$10.11	\$8.24	\$6.18	\$3.78	\$21.72	\$4.40	\$15.48
Intellectual	268	\$9.74	\$8.58	\$5.09	\$3.59	\$21.72	\$5.42	\$13.62
Psychosocial-Psychiatric	22	\$12.49	\$12.07	\$5.45	\$3.59	\$20.92	\$8.33	\$17.46

*Source: 2021 Trial assessment data.

TABLE A45. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY PRIMARY DISABILITY TYPE

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
≤ \$3.59	84	\$5.29	\$4.17	\$2.80	\$3.59	\$20.92	\$3.59	\$5.91
\$3.60-7	164	\$8.75	\$7.12	\$4.45	\$3.61	\$21.72	\$5.26	\$11.23
\$7.01-10	64	\$11.84	\$9.82	\$4.30	\$7.14	\$21.60	\$8.75	\$14.99
\$10.01-20	67	\$15.92	\$15.86	\$3.35	\$10.20	\$22.06	\$12.87	\$18.89

*Source: 2021 Trial assessment data.

TABLE A46. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY GENDER

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Female	127	\$8.83	\$8.16	\$4.70	\$3.59	\$22.06	\$4.59	\$11.60
Male	252	\$10.25	\$9.05	\$5.47	\$3.59	\$21.72	\$5.57	\$15.03

*Source: 2021 Trial assessment data.

TABLE A47. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY AGE GROUP

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
18-24	38	\$9.33	\$8.03	\$5.27	\$3.59	\$21.02	\$4.82	\$11.42
25-34	108	\$10.32	\$9.24	\$5.24	\$3.59	\$21.72	\$5.91	\$14.69
35-44	76	\$9.69	\$7.70	\$5.54	\$3.59	\$20.92	\$4.76	\$14.99
45-54	86	\$9.10	\$8.00	\$4.62	\$3.59	\$21.62	\$5.45	\$11.78
55+	71	\$10.09	\$8.82	\$5.71	\$3.59	\$22.06	\$4.59	\$13.86

*Source: 2021 Trial assessment data.

TABLE A48. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY START YEAR

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
1959 - 1990	45	\$8.06	\$6.75	\$3.99	\$3.59	\$18.95	\$4.64	\$10.41
1991 - 2000	48	\$8.18	\$5.96	\$4.67	\$3.59	\$21.62	\$5.08	\$10.58
2001 - 2010	99	\$10.34	\$9.08	\$5.64	\$3.59	\$22.06	\$5.10	\$14.30
2010 - 2021	184	\$10.30	\$9.24	\$5.37	\$3.59	\$21.72	\$5.63	\$14.74

*Source: 2021 Trial assessment data.

TABLE A49. SUPPORTED EMPLOYEE HOURLY WAGE OUTCOME – BY FIELD OR SITE

	n	Mean	Median	Std Dev	Minimum	Maximum	Quartile 1	Quartile 3
Both	29	\$10.71	\$9.08	\$5.36	\$4.22	\$21.72	\$6.95	\$13.86
Field	62	\$13.01	\$13.31	\$4.60	\$3.70	\$20.92	\$9.18	\$16.26
Site	288	\$8.98	\$7.56	\$5.11	\$3.59	\$22.06	\$4.59	\$11.67

*Source: 2021 Trial assessment data.

A2.8 WEEKLY WAGE OUTCOMES

TABLE A50. WEEKLY WAGE OUTCOMES EXCLUDING SUPERANNUATION DESCRIPTIVE STATISTICS – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Weekly wage outcome	
N	379
Mean	\$223.16
Median	\$171.01
Std Dev	\$170.73
Minimum	\$12.56
Maximum	\$825.36

*Source: 2021 Trial assessment data.

TABLE A51. WEEKLY WAGE OUTCOMES INCLUDING SUPERANNUATION DESCRIPTIVE STATISTICS – 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Weekly wage outcome	
N	379
Mean	\$248.22
Median	\$188.12
Std Dev	\$185.35
Minimum	\$27.56
Maximum	\$907.90

*Source: 2021 Trial assessment data.

A2.9 DIFFERENCE FROM CURRENT WAGE

TABLE A52. DIFFERENCE BETWEEN CURRENT WAGE AND HOURLY WAGE OUTCOME - 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

Wage difference	
Mean	\$3.26
Median	\$1.74
Std Dev	\$3.83
Minimum	\$0.00
Maximum	\$18.67

*Source: 2021 Trial assessment data.

**Note: Data for 379 supported employees in the Trial.

TABLE A53. DIFFERENCE BETWEEN CURRENT WAGE AND HOURLY WAGE OUTCOME - 50:50 ASSESSMENT WITH MINIMUM WAGE FLOOR, WITHOUT CURRENT WAGE FLOOR

Wage difference	
Mean	\$2.73
Median	\$1.74
Std Dev	\$4.47
Minimum	-\$8.28
Maximum	\$18.67

*Source: 2021 Trial assessment data.

**Note: Data for 379 supported employees in the Trial.

TABLE A54. HOURLY WAGE OUTCOMES BY INTERNAL AND EXTERNAL ASSESSMENTS – WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

	Hourly wage outcome – internal assessments	Hourly wage outcome – external assessments
N	309	309
Mean	\$9.12	\$9.35
Median	\$7.85	\$7.93
Std Dev	\$5.01	\$5.21
Minimum	\$3.59	\$3.59
Maximum	\$21.92	\$22.21

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

TABLE A55. DIFFERENCE BETWEEN INTERNAL AND EXTERNAL WAGE OUTCOMES WITH MINIMUM WAGE FLOOR AND CURRENT WAGE FLOOR

	Hourly wage outcome
N	309
Mean	-\$0.23
Median	\$0.00
Std Dev	\$1.60
Minimum	-\$7.94
Maximum	\$7.37

*Source: 2021 Trial assessment data.

**Note: Supported employees with simultaneous timings included in their assessments were excluded.

APPENDIX 3 SURVEY RESULTS

TABLE A56. NUMBER OF SURVEY RESPONDENTS

Survey	N
CEO or Management	31
Independent Assessor	36
Staff	80
Total	147

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: ADE staff, CEO or management representatives and independent assessors were only asked survey questions relevant to their involvement in the Trial.

***Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A57. UNDERSTANDING THE SWS

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
The guidelines for conducting assessments using the SWS with modifications were clear	CEO or management	7	30%	14	61%	0	0%	2	9%	23	100%	8
	Independent Assessor	15	43%	16	46%	0	0%	4	11%	35	100%	1
	Staff	21	30%	33	48%	8	12%	7	10%	69	100%	1
The independent assessor/s in the Trial who visited my workplace were well informed about the use of SWS with modifications / I have a good understanding of the process for collecting workplace productivity data for supported employees	CEO or management	14	64%	7	32%	0	0%	1	5%	22	100%	8
	Independent Assessor	29	81%	7	19%	0	0%	0	0%	36	100%	0
The process for establishing benchmarks was clear	Independent Assessor	20	56%	10	28%	3	8%	3	8%	36	100%	0
	Staff	23	33%	34	49%	7	10%	6	9%	70	100%	0
The training adequately prepared our organisation for the Trial	CEO or management	13	48%	11	41%	2	7%	1	4%	27	100%	4
	Independent Assessor	12	33%	13	36%	7	19%	4	11%	36	100%	0
	Staff	23	32%	26	36%	14	19%	9	13%	72	100%	7
The training clearly set out the expectations for the Trial	Independent Assessor	15	42%	15	42%	2	6%	4	11%	36	100%	0
	Staff	25	35%	27	38%	12	17%	8	11%	72	100%	7

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A58. UNDERSTANDING THE WAGE GRADES (A + B)

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
The descriptions for the 2 new Wage Grades (A and B) were clear	CEO or management	12	50%	8	33%	2	8%	2	8%	24	100%	7
	Staff	6	13%	21	47%	8	18%	10	22%	45	100%	3

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A59. SUPPORTING SUPPORTED EMPLOYEES TO UNDERSTAND THE PROCESS

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
We received enough information to explain the process to supported employees	CEO or management	14	52%	13	48%	0	0%	0	0%	27	100%	4
	Staff	36	46%	35	45%	2	3%	5	6%	78	100%	1

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A60. CONSISTENCY OF APPLICATION OF THE SWS WITH MODIFICATIONS

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
The ADE staff member/s who undertook assessments were consistent in the way they applied the SWS with modifications across supported employees	CEO or Management	15	63%	9	38%	0	0%	0	0%	24	100%	7
	Independent Assessor	18	53%	14	41%	0	0%	2	6%	34	100%	2
	Staff	40	61%	18	27%	5	8%	3	5%	66	100%	4
The independent assessor/s were consistent in the way they applied the SWS with modifications across supported employees	CEO or Management	14	67%	5	24%	0	0%	2	10%	21	100%	10
	Independent Assessor	24	69%	10	29%	0	0%	1	3%	35	100%	1
	Staff	46	69%	13	19%	3	4%	5	7%	67	100%	3
The SWS with modifications was equally applicable to all duties and associated tasks done by the supported employees in the Trial	CEO or Management	7	33%	6	29%	3	14%	5	24%	21	100%	10
	Independent Assessor	21	62%	6	18%	4	12%	3	9%	34	100%	2
	Staff	23	34%	21	31%	10	15%	13	19%	67	100%	3

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A61. PERCEIVED ACCURACY OF THE SWS WITH MODIFICATIONS

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
The SWS with modifications produced reasonably accurate productivity assessments for participating supported employees	CEO or Management	3	13%	13	54%	3	13%	5	21%	24	100%	7
	Independent Assessor	14	40%	14	40%	2	6%	5	14%	35	100%	1
	Staff	18	26%	33	48%	6	9%	12	17%	69	100%	1

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A62. PERCEIVED ACCURACY OF THE WAGE GRADES (A AND B)

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	n
The 2 new Wage Grades (A and B) provided accurate outcomes for participating supported employees	CEO or Management	3	13%	14	61%	2	9%	4	17%	23	100%	8
	Staff	10	22%	19	41%	8	17%	9	20%	46	100%	3

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A63. PERCEIVED IMPACT ON VIABILITY

Question	Respondent group	Agree		Mostly agree		Mostly disagree		Disagree		Total		Don't know / NA
		n	%	n	%	n	%	n	%	n	%	
Using the SWS with modifications would impact on the viability of this ADE	CEO or Management	15	54%	10	36%	3	11%	0	0%	28	100%	3
Using the 2 new Wage Grades would impact on the viability of this ADE	CEO or Management	11	35%	10	32%	4	13%	0	0%	25	100%	6

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

TABLE A64. WHO SHOULD CONDUCT THE ASSESSMENTS

Respondent type:	ADE staff and independent assessors		ADE staff only		Independent assessors only		Total	
	n	%	n	%	n	%	n	%
CEO or management	25	81%	3	10%	3	10%	31	100%
Independent Assessor	32	89%	1	3%	3	8%	36	100%
Staff	59	84%	7	10%	4	6%	70	100%

*Source: Post-Trial survey completed by a CEO or management representative from each participating ADE, all participating staff, and independent assessors involved in the Trial.

**Note: 5 Trial Coordinators completed both the staff and management surveys on behalf of their ADE.

APPENDIX 4 WAGE GRADE GUIDANCE DOCUMENT

Trial of the Proposed Changes to the Supported Employment Services Award 2020

Draft framework for a script for ADEs who will be grading supported employees into either Grade A or Grade B.

INTRODUCTORY NOTE

On 3 December 2019, the Fair Work Commission (**FWC**) proposed changes to the *Supported Employment Services Award 2020* (**the Award**) as part of the FWC's four yearly review of the Award.

In its preliminary decision, the FWC proposed a new classification structure for Schedule B of the Award. The new classification structure will include two new classifications, Grades A and B, which will apply to supported employees (i.e., an "employee with a disability" as defined under the Award), and who meet the additional criteria set by the FWC.

At the request of the FWC, a three-month trial (**the Trial**) will take place to test the impact of the proposed changes on Australian Disability Enterprises (**ADEs**) and supported employees.

A copy of the proposed new classification structure is **attached** at Annexure A.

The purpose of this information sheet is to provide guidance to those employees within an ADE, with the responsibility for assessing and applying the correct classification to a supported employee as part of the Trial.

1.	What are the proposed changes to the Wage Grades in the Award?
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	<p>The FWC have proposed to introduce two new Grades, known as Grade A and Grade B, under the Award. This change is being tested as part of the Trial.</p> <p>Traditionally, supported employees are graded into one of the existing seven Grades in the Award (typically Grade 1 or Grade 2). They then have their wages assessed using one of the approved wage assessment tools listed in clause 18 of the Award.</p> <p>For the purposes of the Trial, the only wage assessment tool will be a modified version of the Supported Wage System (SWS). This will replace the 29 wage assessment tools currently approved under the Award.</p> <p>As part of the Trial, it is the ADE assessor's role to determine the appropriate classification (Grades 1-7, A + B) for the supported employee based on the criteria set by the FWC and the work actually being performed by the supported employee.</p> <p>The wage assessment will be undertaken by both the ADE assessor and an independent assessor.</p>
<p>2.</p>	<p>Who do you apply Grades A and B to?</p>
	<p>The FWC has determined the 'gateway' requirements for an employee being classified into either Grade A or Grade B are as follows:</p> <p>the supported employee <i>must</i> be eligible for the Disability Support Pension**; and</p> <p>the employer (ADE) <i>must</i> have created a position for the supported employee consisting of duties and a level of supervision tailored or adjusted for the circumstances of the employee's disability; and</p> <p>the position does not fall within Grades 1-7, that is, even where the position was created for the supported employee, the position does not require the employee to perform work at the level of any of the Grades from 1 through to 7.</p> <p>If the employee, and the position they are engaged to perform, do not meet the above criteria, then the employee will be classified within Grades 1-7 in the Award</p> <p>Note: Grades 1-7 apply to employees with or without a disability, who undertake the duties and exercise the level of skill and responsibility specified in the classification descriptors.</p> <p>An employee's classification should be determined based on the work they perform in their role, that is, the actual duties attached to their position that are required to perform their role.</p> <p>**Disability Support Pension is paid to people whose physical, intellectual or psychiatric impairment prevents them from working, or who are permanently blind.</p>
<p>3.</p>	<p>What do I need to know to correctly classify an employee into Grade A?</p>

	<p>The classification for the proposed Grade A in the Award is as follows:</p> <p><i>“Employees at this grade will perform a simple task or tasks consisting of up to three sequential steps or sub-tasks, any of which may involve the use of jigs or equipment or tools with basic functionality, under direct supervision and constant monitoring.”</i></p> <p>The classification description is key. As noted above, an employee's modern award classification should be determined based on the work they perform in their role, that is, the actual duties attached to their position that they are required to perform in their role.</p> <p>The description of Grade A requires the employee to:</p> <p>perform a simple task or tasks consisting of up to three sequential steps or sub-tasks;</p> <p>any of which may involve the use of jigs or equipment or tools with basic functionality; and</p> <p>under direct supervision and constant monitoring.</p> <p>Fundamental to understanding the above description are the following principles:</p> <p>The task, or tasks, must be simple.</p> <p>The simple task, or tasks, can consist of <i>up to three</i> sequential steps or sub-tasks.</p> <p>If any jigs, equipment or tools are used to assist with the performance of the simple task or tasks, they must have <i>basic functionality</i> only.</p> <p>The employee is required to work under direct supervision and <i>constant monitoring</i>.</p>
<p>4.</p>	<p>What do I need to know to correctly classify an employee into Grade B?</p>

<p>The classification for the proposed Grade B in the Award is as follows:</p> <p><i>“Employees at this grade will perform a simple tasks or tasks consisting of more than three sequential steps or sub-tasks, each of which may involve the use of mechanical or electric equipment or tools, under direct supervision with regular monitoring.”</i></p> <p>As is the case with Grade A, the description for Grade B informs whether a supported employee will fall within this classification, which involves performing work at a slightly higher level than employees under Grade A.</p> <p>Grade B requires an employee to:</p> <p>perform a simple tasks or tasks consisting of more than three sequential steps or sub-tasks;</p> <p>each of which may involve the use of mechanical or electric equipment or tools; and</p> <p>under direct supervision with regular monitoring.</p> <p>The following principles are applicable to the work performed by an employee at Grade B. Note the italicised words identify some key differences between Grade A and Grade B:</p> <p>Again, the task, or tasks, must be simple.</p> <p>However, Grade B requires the simple task, or tasks, to consist of <i>more than three</i> sequential steps or sub-tasks.</p> <p>If equipment or tools are used to assist with the performance of the simple task or tasks, the equipment or tools may be <i>mechanical or electrical</i>.</p> <p>An employee at Grade B is required to work under direct supervision and <i>regular monitoring</i>.</p>

Annexure A

Schedule B—Classifications

B.1 Explanation of Classification Structure

B.1.1 Grades A and B of the classification structure in this Schedule apply to any employee with a disability:

(a) who meets the impairment criteria for receipt of a disability support pension; and

(b) for whom an employer has created a position consisting of duties and a level of supervision tailored or adjusted for the circumstances of the employee’s disability that does not fall into Grades 1-7 above.

B.1.2 Grades 1-7 apply to employees with or without a disability who undertake the duties and exercise the level of skill and responsibility specified in the classification descriptors.

B.2 Grade A

Employees at this grade will perform a simple task or tasks consisting of up to three sequential steps or sub-tasks, any of which may involve the use of jigs or equipment or tools with basic functionality, under direct supervision and constant monitoring.

B.3 Grade B

Employees at this grade will perform a simple tasks or tasks consisting of more than three sequential steps or sub-tasks, each of which may involve the use of mechanical or electric equipment or tools, under direct supervision with regular monitoring.

B.4 Grade 1

Employees at this grade will undertake on the job induction and/or training to perform work in Grade 2 or above for a period not exceeding 3 months.

B.5 Grade 2

Employees at this grade will perform a basic task or tasks in accordance with defined procedures under direct supervision. Such employees will understand and undertake basic quality control/assurance procedures including the ability to recognise basic quality deviations/faults. This may include the performance of work included in the following awards classifications:

- *Food, Beverage and Tobacco Manufacturing Award 2010: Level 2*
- *Gardening and Landscaping Services Award 2010: Level 1*
- *Manufacturing and Associated Industries and Occupations Award 2010: Level C13*
- *Textile, Clothing, Footwear and Associated Industries Award 2010: Skill Level 1*

B.6 Grade 3

Employees at this grade will perform work above and beyond the skill of an employee at Grade 2 and to their level of training. Such employees will perform a more complex task or tasks than at Grade 2 in accordance with defined procedures under routine supervision. This may include the performance of work included in the following awards classifications:

- *Dry Cleaning and Laundry Industry Award 2010: Laundry employee level 2*
- *Food, Beverage and Tobacco Manufacturing Award 2010: Level 3*
- *Gardening and Landscaping Services Award 2010: Level 2*
- *Manufacturing and Associated Industries and Occupations Award 2010: Level C12*
- *Storage Services and Wholesale Award 2010: Storeworker grade 1*
- *Textile, Clothing, Footwear and Associated Industries Award 2010: Skill Level 2*
- *Waste Management Award 2010: Level 2*

B.7 Grade 4

Employees at this grade will perform work:

(a) above and beyond the skill of an employee at Grade 3 and below and to their level of training. Such employees will hold a qualification at or equivalent to AQF II or above or an equivalent level of training and experience. Employees at this grade will:

- work independently from complex instructions and procedures; and
- assist in the provision of on the job training for other employees; and
- co-ordinate work in a team environment or work individually under general supervision; and
- be responsible for ensuring the quality of their own work; or

(b) encompassed in any of the following award classifications:

- *Dry Cleaning and Laundry Industry Award 2010*: Laundry employee level 3
- *Food, Beverage and Tobacco Manufacturing Award 2010*: Level 4
- *Gardening and Landscaping Services Award 2010*: Level 3
- *Manufacturing and Associated Industries and Occupations Award 2010*: Level C11
- *Storage Services and Wholesale Award 2010*: Storeworker grade 2
- *Textile, Clothing, Footwear and Associated Industries Award 2010*: Skill Level 3
- *Waste Management Award 2010*: Level 3

B.8 Grade 5

Employees at this grade will perform work:

(a) above and beyond the skill of an employee at Grade 4 and below and to their level of training. Such employees will hold a trade certificate or an equivalent qualification or an equivalent level of training and experience. Employees at this grade will perform work primarily involving the skills of their trade and may also perform work that is incidental to that work; or

(b) encompassed in any of the following award classifications:

- *Dry Cleaning and Laundry Industry Award 2010*: Laundry employee Level 4
- *Food, Beverage and Tobacco Manufacturing Award 2010*: Level 5
- *Gardening and Landscaping Services Award 2010*: Level 4
- *Manufacturing and Associated Industries and Occupations Award 2010*: Level C10
- *Storage Services and Wholesale Award 2010*: Storeworker grade 4
- *Textile, Clothing, Footwear and Associated Industries Award 2010*: Skill Level 4
- *Waste Management Award 2010*: Levels 4, 5 and 6

B.9 Grade 6

Employees at this grade will perform work above and beyond the skill of an employee at Grade 5 and below and to their level of training. Such employees will hold a qualification at or equivalent to AQF IV or above or an equivalent level of training and experience. Such employees will perform the work described below:

- assess the ability of an employee with disability to carry out specific work tasks; and/or
- design, develop and provide individual instruction or training for an employee with a disability; and/or
- undertake specialist functions in the workplace such as procurement or marketing; and/or
- supervise employees in a section of the workplace.

B.10 Grade 7

Employees at this grade will hold a qualification at AQF IV to or above, of which one third of the competencies are related to the supervision or training of employees, or an equivalent qualification or an equivalent level of training and experience. Employees at this grade will perform work above and beyond the skill of an employee at Grade 6 and below and to their level of training. Such employees will perform the work described below:

- co-ordinate and supervise employees; and/or
- have responsibility for the content and delivery of training; and
- be capable of operating all of the equipment or tools to be used by employees that they are supervising or training.