

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Supplementary Budget Estimates 2010-2011**

**Outcome 5 - Workplace Relations**

**DEEWR Question No.EW0620\_11**

**Senator Abetz asked on 20/10/2010, Hansard page 125.**

**Question**

**Disability service providers**

Senator ABETZ—Moving right along. This is to both the minister and the secretary. A number of disability service providers—Senator Fifield has provided me with a letter from one in Victoria, I know in my home state of Tasmania as well that the introduction of the modern award system is imposing significant financial problems on these organisations. Are you aware of that? Ms Paul—I am not aware of that, but I am happy to take it on notice. If you want to provide any representations on Senator Fifield's behalf or whatever, I am happy to look at the particulars. Senator Chris Evans—What sort of problems? Senator ABETZ—That the wage increases, the salary levels under the new award, are significantly higher than those under, in this case, the Victorian disability services award. In fact in Tasmania the local industrial commission had created one award for all the services. Now they are split between two modern awards. Also, with wage increases, which represent an increase in this particular organisation, it is the case of an extra 15 per cent in their annual staff costs. Similar circumstances in Tasmania, and if you know these organisations, everything is run to a very, very tight budget, and a 15 per cent increase and yet they will not be able to necessarily pass on through costs. Let us say they bottle mineral turpentine, for example, or methylated spirits and then sell that. The marketplace will— Senator Chris Evans—We will take it on notice, but if you want to forward any of the representations directly to me, we will reply in writing. So you or Senator Fifield might want to drop me a note saying, 'Can you respond to this?' You might like to write to me; it might be a more efficient way of dealing with it. But we will take it on notice. Ms Paul—I would probably in general terms draw attention to the five-year transition period, but I do not know the details here and I think we should have a look at it.

**Answer**

From 1 January 2010, national system employers in the disability sector are now covered by one of two modern awards, these are:

- the Social, Community, Home Care and Disability Services Industry Award 2010 (SACS Award), which covers employers' engaged in the provision of personal care and domestic and lifestyle support to persons with a disability; and
- the Supported Employment Services Award 2010 (SES Award), which applies to employers' offering supported employment services to persons with a disability, for whom competitive employment at or above the relevant

award wage is unlikely and who, because of their disabilities, need substantial ongoing support to obtain or retain paid employment.

Both the SACS Award and the SES Award contain transitional provisions which are designed to address differences in conditions of employment and rates of pay that may occur as a consequence of award modernisation. Specifically, the model transitional provisions (as contained in the SES Award) provide for a five year period in order to phase in any pay related changes, while employers and employees gradually move from old state and federal awards to the modern award standard.

With respect to the SACS Award, the transitional provisions provide that pre-modern award rates of pay will continue to apply until 1 July 2011, though increased by \$26 per week as a result of the 2010 Annual Wage Review decision. This departure from the model transitional provisions was permitted by the Australian Industrial Relations Commission during the award modernisation process in view of the Australian Services Union's pending pay equity claim for the SACS sector. Accordingly, no further changes in wage rates should occur for employers covered by the SACS Award until at least 1 July 2011. The extent of any changes that may be implemented at this time is subject to the outcome of Fair Work Australia's decision on the ASU's pay equity claim.

In the case of employers who were previously covered by the Tasmanian state industrial relations system, these employers were referred into the national workplace relations system on 1 January 2010. At this time, the Tasmanian Disability Service Providers Award (P072) became a Division 2B State referral award (Div 2B award).

As part of the state referral arrangements, the terms (including wage rates) in Div 2B awards were to apply until 31 December 2010. Fair Work Australia, however, has recently handed down a decision which extended the operation of Div 2B awards to 1 February 2011. From this date, employers covered by Div 2B awards will commence a transition towards wages and conditions in modern awards. Accordingly, no changes in wage rates should occur for employers covered by the Disability Service Providers Award (P072) until at least 1 February 2011.