

8 July 2022

Associate to VP Hatcher
Fair Work Commission
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SUBMISSION TO THE FAIR WORK COMMISSION
AM2014/286: Four yearly review of the Supported Employment Services Award

We appreciate the opportunity to provide this submission in the above proceedings in accordance with the Directions issued by the Commission.

Background

Centacare is a disability service provider located in New South Wales. We have been in operation since 1994 and currently employ approximately twenty people who have varying levels of ability and support needs who perform work within the Centacare enterprise.

Currently, we have supported employees who perform work for a range of different services within Centacare's enterprises. For example, at the Centacare Belmore site, Centacare offers several different services including a garden maintenance service, a commercial cleaning service, a logistics service, and a security shredding service.

Centacare's success has been the opportunity to provide our supported employees, from mixed cultures, with meaningful and genuine employment in a multifaceted business.

In 2015, Centacare adopted the Supported Wage System (SWS) after phasing out use of the Business Services Wage Assessment Tool (BSWAT) to conduct wage assessments for its supported employees. Although government funding was provided for a number of years to support that transition, the funding ceased in about 2020.

Centacare is concerned that it is now locked into the higher wages under the SWS and because the Award states that we are unable to reduce wages of supported employees, even if a new wages or classification structure is implemented, we will not be able to adjust our employees' wages. We believe that this would negatively impact Centacare and that this would leave Centacare supported employees vulnerable.

Further, we believe that if competitors of Centacare are to move to the modified SWS assessment tool or another wage tool, they will not be paying the wages that Centacare have committed pay by moving to the SWS already. As a result, we believe this would leave Centacare uncompetitive in a competitive market.

Concerns regarding the proposed FWC wage's structure

Centacare has followed the progress of these proceedings and has reviewed the Trial Report published in January 2022. We wish to make the following comments about the proposed new wages structure:

1. If we are to move to a new award classification structure, we believe that further education and appropriate guidance from relative bodies is required to ensure organisations are able

to properly apply the new structure in a way that does not require significant work (and inherent costs) for Centacare and other organisations within the industry.

2. Centacare is committed to providing the maximum level of support to its employees, and this includes safeguarding their emotional health. Therefore, avoiding the potential negative impact that could come with adopting the modified SWS process, without sufficient preparation or consideration of alternative options, is to be avoided if possible.
3. Centacare agrees that the trial has indeed raised issues about DSS Funding of modified SWS assessments. In our view, the proposed arrangement cannot be implemented without clear commitments from government on funding for the industry. While CatholicCare and Centacare are committed to supporting our employees through the NDIS framework, changes to the system that could potentially lead to bankruptcy, or the ceasing of operations for businesses in the industry, must be avoided.

An expanded classification structure is a better option

We have reviewed the Position Document filed on behalf of Australian Business Industrial on 15 March 2022 and note that they outline a potential alternate proposal which contemplates an expanded Grade A and Grade B classification structure and different proposed hourly rates of pay for each of those Grades in lieu of a modified SWS assessment process.

We believe that there is room to explore alternatives to the FWC's proposed structure, and the opportunity should be taken before it is too late.

Centacare supports the proposal outlined by Australian Business Industrial to explore the possibility of expanding the existing A and B classification structure so that the existing structure can be further evolved and become the basis of an expanded, familiar, and easily understood classification structure moving forward.

Centacare believes that this would be a viable option with several positive aspects which include:

1. removing the need for having an SWS assessor under the FWC's proposed wage structure;
2. creating a more workable structure and in turn reducing potential confusion for employees and organisations;
3. reducing potential negative impacts on employees by creating a more streamlined employment experience for supported employees; and
4. avoiding increased administrative costs for organisations.

Centacare believes the ABI proposal would provide for greater simplicity in terms of structure, greater clarity during the transition period, and not contribute to the reduction of overall wages outcomes for employees.

Operative date for a new wages structure

Centacare believes that the transition to the FWC's proposed wage structure would be a major transition for Centacare and is one that would require sufficient time for the supported employment industry to adequately prepare for.

Where the industry is not provided with adequate time, this will likely have a negative impact on organisations, resulting in a loss of available work. In turn, this would likely lead to our staff having to seek other employment, but also the supported employees.

Having regard to the operative date for the new wages structure, we respectfully submit that where the FWC's proposed structure is implemented, that the industry be provided with sufficient

time to make the required structural changes in order to accommodate the implementation of this new structure.

Lastly, prior to the implementation of a new structure, Centacare believes that any outstanding issues regarding clarity and workability need to be addressed and be clearly and comprehensively explained before employers are required to adhere to new regulations.

Yours sincerely

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