

OVERVIEW OF THE SUPPORTED WAGE SYSTEM IN OPEN EMPLOYMENT

# July 2019 Edition

**Disclaimer**

The Supported Wage System operates within the Australian industrial relations framework, therefore people wishing to use the Supported Wage System provisions must ensure that they are able to do so in accordance with their applicable industrial award, enterprise agreement or other instrument. This Overview provides brief information only, and should be read in conjunction with the Supported Wage System in Open Employment Handbook and Guidelines.

# Document Change History

| Version | Effective Date | End Date | Change & Location  |
| --- | --- | --- | --- |
| 1.1 | 1 July 2019 |  | Removal of Supported Wage System annual minimum wage |
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# Overview – How to use the Supported Wage System

## Introduction

The Supported Wage System (SWS) productivity assessment process provides a method to assess the productivity of the employee against performance standards of other employees with or without disability undertaking the same tasks or duties in the workplace.

The SWS can also be used to determine productivity based wages for employees employed under the *Supported Employment Service Award 2010* (SES Award). In 2017, industrial parties in the Fair Work Commission (FWC) agreed by consent to vary the SWS for use under the SES Award.

## Eligibility

Applications for the SWS require that the following conditions are met:

* the job under consideration is covered by an industrial instrument or legislative provision which permits employment for pro-rata wages under the SWS
* the person is an Australian citizen or is a person resident in Australia whose continued presence is not subject to a time limit imposed by Commonwealth law (e.g. a temporary visa)
* the person is at least 15 years of age
* the person has no outstanding worker’s compensation claim against the current employer
* the person meets the impairment criteria for the Disability Support Pension (DSP) as determined by Centrelink
* the job being offered is for a minimum of 8 hours per week.

## Eligibility and funding procedures

These procedures are described as if an employment services provider (such as a Disability Employment Services, jobactive or Community Development Programme Provider) is involved, but they also generally apply where an employer is applying for and arranging the SWS employment. A summary of the key steps in the wage assessment process are described later in this section.

The procedures assume the employee is currently receiving the DSP. However, if the person is not in receipt of the DSP, Centrelink may need to arrange an SWS Eligibility Test. Variations to the process for people who do not receive the DSP are detailed at the end of this section.

## Contacting the Department’s Assessment Team

The Department of Social Services (the Department) Assessment Team can be contacted by phone for general information on the SWS. The phone number is **1800 065 123**.

## Making the application – employment services provider role

The on-line SWS application form can be found on the [JobAccess](http://www.jobaccess.gov.au) website. The employment services provider completes and submits the application form on-line. If there is no employment services provider, the employer completes and submits the application.

## Processing the application

The Department’s Assessment Team:

* confirms the employee meets the impairment criteria (the Department’s Assessment Team may contact Centrelink to confirm this)
* checks the other eligibility criteria have been met
* records the application as being approved.

## Advice of approval

The Department’s Assessment Team sends advice of an approval to the applicant. Once this approval has been given, the employee can commence the SWS Trial Period.

## An assessment is arranged

* the Department’s IT system selects an SWS assessment provider to undertake the wage assessment and assigns a Work Order
* the SWS assessment provider accepts the work.

## Work begins on a trial basis

After the application is approved, the employer and employee or nominee negotiates a trial wage. The trial wage must be at least the Federal minimum SWS weekly wage, and should ideally reflect the expected productivity levels for the Trial Period. The SWS minimum wage changes on 1 July each year and is available from the [Fair Work Ombudsman](http://www.fairwork.gov.au/pay/minimum-wages/employees-with-disability-pay-rates) website or by contacting the Fair Work Infoline on **13 13 94**.

The SWS Trial Period can only start once the SWS application has been approved by the Department’s Assessment Team. Depending on the industrial provisions relevant to the employee, the Trial Period can be up to 12 weeks or in some cases extended to a maximum of 16 weeks. The extension of the Trial Period to 16 weeks is only acceptable when it is for the benefit of the employee undergoing the SWS assessment, such as due to absence from work because of illness.

Alternatively, the employee may be assessed and begin employment almost immediately without the SWS Trial Period, if it is agreed by the employer and employee or nominee that a Trial Period is not required.

## Advising Centrelink of change in financial circumstances of a person in receipt of DSP

Centrelink needs advice about the SWS employee’s wage during the Trial Period, and any subsequent wage adjustments. The employment services provider may assist the employee to advise Centrelink. It is important to advise Centrelink within 14 days in case the employee’s earnings affect the rate of DSP. More information can be found on the [Department of Human Services](http://www.humanservices.gov.au/) website.

## The lead up to the assessment

The assessor negotiates a suitable date and time with the workplace parties for the assessment to take place. Workplace parties could include the employer, assessor, employee or nominee, and union representative (if applicable).

## After the assessment

After the assessment result is agreed, the workplace parties sign the Wage Assessment Agreement. If a union representative was not party to the Wage Assessment Agreement, the relevant industrial authority (Industrial Registrar or Fair Work Commission) sends a copy of the Wage Assessment Agreement to the relevant union. If the union has not notified an objection to the industrial authority within 10 working days, the industrial authority then advises the employer and the Department’s Assessment Team that the Wage Assessment Agreement has been successfully filed.

The assessor always provides a copy of the Wage Assessment Agreement to the workplace parties as soon as is practicable.

## The date for beginning to pay the assessed wage

The date when the employer can legally pay the agreed pro-rata award wage is the date when the Wage Assessment Agreement is signed. The employer pays the agreed wage rate from this date, and does not have to wait until notification has been received from the relevant industrial authority that the Wage Assessment Agreement has been filed.

## Review assessment

A review assessment will be scheduled for completion within 12 months from the operative date of the Wage Assessment Agreement.

A review may be held before the scheduled date if at least one of the workplace parties wishes this to occur. This can be requested by contacting the Department’s Assessment Team.

Nine weeks prior to the review falling due, the Department’s IT System will select an SWS assessment provider to undertake the SWS review assessment. Upon completion of the review, the signed Wage Assessment Agreement must be lodged with the relevant industrial authority if required.

People employed on an SWS productivity based wage must have their productivity reviewed at least annually.

## Variation in procedures for people who are NOT receiving the DSP

A person not receiving the DSP may choose:

* to claim the DSP, or
* not to claim a payment, but only to test whether they meet the medical impairment criteria for the DSP. This is referred to as an SWS Eligibility Test.

If the person chooses to apply for the DSP, it is advisable that they obtain information from Centrelink about the claim process. More information can be found on the [Department of Human Services](http://www.humanservices.gov.au/) website.

For a person not on the DSP, the Department’s Assessment Team arranges an SWS Eligibility Test by contacting Centrelink. Centrelink will contact the person to arrange an assessment for the SWS Eligibility Test.

If the person is assessed by Centrelink as meeting the SWS Eligibility Test, the Department’s Assessment Team processes the SWS application.

# Summary of the SWS Process – Key Steps

1. Access the [JobAccess](http://www.jobaccess.gov.au/) website or phone the Department’s Assessment Team (free call **1800 065 123**) for information.
2. Complete and lodge the application form on the JobAccess website.
3. The Department’s Assessment Team checks the employee’s eligibility.
4. If the employee is not in receipt of the DSP and does not have a current medical impairment assessment then the Department’s Assessment Team contacts Centrelink to arrange for an SWS Eligibility Test.
5. If the employee meets the DPS criteria, then the Department’s Assessment Team approves the application and a confirmation email is sent to the applicant.
6. The employee commences the Trial Period.
7. The Department’s IT System assigns the assessment to an SWS assessment provider.
8. If the employee is on income support, the employee notifies Centrelink about the employment.
9. The SWS wage assessment is conducted and agreed, and lodged with the relevant industrial authority if required.
10. The Department’s IT system automatically initiates annual productivity reviews thereafter. The Department’s Assessment Team can arrange an earlier review if requested.