FACT SHEET

What it means for employers

Background

Employers will need to map each employee from their current schedule and level to a classification in the new structure, using the translation tables, the duties performed and the qualification or equivalent experience the role requires. Position descriptions, classification records and payroll will need to be updated, and employees notified of their classification in writing. Classification is a legal obligation under the award: incorrect classification produces underpayment, which contravenes the Fair Work Act 2009 (Cth). Employee's contract will also need to be checked for terms that must be maintained irrespective of any changes in the award.There is however a greater organisation change process required related to retention strategies, training and recruitment.

Indicative Cost

The recurring cost depends on an organisation's workforce mix, because the increases are concentrated in particular roles. Most community services in Western Australia are delivered under government funding agreements costed against the current rates and classification structure. Because the decision resets minimum rates, and because the size of the effect depends on the mix of classifications in a given service's workforce, the change flows through to the cost of delivering funded services to differing degrees. The Fair Work Commission has maintained its view that the new structure will not require significant additional Commonwealth NDIS funding for disability support work; that view concerns NDIS pricing and does not extend to State-funded programs.

1. Concerns

The undervaluation finding is broadly supported. Most of the concerns raised in submissions and by sector bodies are not about the finding but about how the new structure will be implemented, and whether it may create new inequities. The main ones are:

Because classifications are benchmarked to the qualification a level requires, roles whose value came from specialist expertise and experience can translate to a level set by their base qualification.

- Financial counselling is the clearest example. The profession is over 70% women and mostly classified at Level 5. Financial Counselling Australia and Financial Counselling Victoria submitted that benchmarking to the Diploma of Financial Counselling does not recognise the specialist skill and professional obligations of the role. This could mean reductions of up to $27,000 a year for some roles. Under the new structure counsellors are included in the Caseworker/Practitioner classification and generally enter at Level 5; comparable concerns apply to therapeutic and other specialist counselling positions.

- Pay protection preserves existing employees' rates, but new entrants may be engaged on lower translated rates for the same work, and an existing employee who changes roles can lose their retained rate. Submissions warned this creates same-work-for-different-pay tension, administrative complexity, and a disincentive for experienced staff to move.

- Increases are concentrated at particular points, while senior and specialist staff already on higher (now protected) rates receive no increase. This narrows the differential between junior and senior roles and can weaken the financial incentive to take on supervisory, specialist or senior positions.

- Further, there are concerns raised that there will be new unintended inequities as a result of the proposed changes to

- In a sector already reporting difficulty recruiting counsellors and specialist practitioners, the combination of devaluation, compression and two-tier pay was raised as a retention risk, with some submissions warning that experienced workers may leave the sector.

- The Schedule E may be increased from 1 October 2026, a year ahead of the wider changes, creates a period of inequity in which home care disability workers and comparable community disability support workers receive pay increases. The operative date is being considered by the Fair Work Commission. A key concern for employers is they will need for time to make the necessary changes to implement this change.