**Attachment B**

**The cost impact of implementing the SWS in ADEs – figures provided by NDS Members:**

Organisation one:

Cost impact - $2,000,000 pa and 250 supported employee and 80 support staff jobs at risk.

Organisation two:

Cost impact - $216,500 pa and 36 supported employee jobs at risk.

Organisation three:

Cost impact - $351,812 pa and 51 supported employee jobs at risk.

Organisation four:

Cost impact - $268,500 pa and 169 supported employee jobs at risk.

Organisation five:

Cost impact - $232,500 pa and 32 supported employee jobs at risk.

Organisation six:

Cost impact - $10,500,000 pa and 2,200 supported employee jobs at risk.

All six organisations were adamant that the increased costs above would have led to them closing their ADE.

**The cost and time impact of implementing other wage tools in ADEs – figures provided by NDS Members:**

Organisation one:

Has adopted Skillsmaster. Total wages bill has increased by 28% or $154,440 per month. Cost to adopt the tool was $34,000. The organisation has now become unprofitable and could not sustain the increased costs.

The organisation has had to significantly cut other expenditure and has cut staff and supported employees weekly hours of work by a significant amount. The organisation has also had to increase the price of its goods and services by 10% across the board.

Organisation two:

Has adopted Skillsmaster. It has cost an estimated $60,000 to adopt the tool. The ADE expects to be completed all outstanding wage assessments by December 2015. Were the organisation to seek earlier compliance it estimates that it would cost an additional $60,000 to have conducted all assessments by 30 September 2015. The ADE has not provided data on the additional wage costs.

Organisation three:

Has adopted Skillsmaster. It estimates that total wage costs will increase by 20%. Organisation needs to conduct 250 assessments, which will take at least a year. Consequently assessments will not be completed until April 2015. The cost of conducting assessments is significant, as they require three months manual evidence gathering conducted in house by support staff.

Organisation four:

Has adopted Skillsmaster. The ADE has completed 166 assessments. The annual wages bill has increased by $70,000.

Organisation five:

Has adopted SWS. The ADE expects to have assessments completed by October 2015. Wage costs are estimated to increase by around 30%.

Organisation six:

Has adopted Greenacres. The tool has cost $420 per employee assessment which includes the initial training and system development for their site. This is an upfront cost of $56,700. Ongoing annual costs are approximately $200 per annum per employee. They have 135 employees, so the additional cost is $27,000 per year.

Organisation seven:

Has adopted Greenacres. The organisation has just over 500 supported employees and will not be able to complete their assessments until December 2015. Adopting the tool has required a complete overhaul of relevant policies and procedures. Adopting the IT system has also caused considerable problems and additional expense. The organisation has provided evidence that the new tool has cost over $36,000 to implement so far.