

The role of Government in the implementation of an Industry Vision for the Supported Employment Sector 2021 to 2025

Working closely with its membership, NDS has developed an Industry Vision for the supported employment sector. The Industry Vision is intended to guide Disability Enterprises through a post NDIS and COVID-19 operating environment.

Government policy is a key driver of a range of significant sector reforms that will be implemented from 2020 onwards. These include:

- Introduction of the NDIS Supports in Employment pricing framework and full transition of the sector into the scheme
- The end of the Disability Employment Assistance Program, which has been the legislative, regulatory and funding framework under which the sector has operated since 1986
- Significant wage reform within the sector including implementation of a new wages structure
- The Disability Royal Commission's examination of the experiences of jobseekers and workers with disability and the provision of employment services and supports

In addition, the Government is committed to implementation of the NDIS Participant Employment Strategy 2019-2022. The Strategy's key goal is ensuring that 30% of working age NDIS participants are in paid employment by 30 June 2023.

The social, economic and health benefits of sustainable employment for people with disability are manifold and well accepted for both individuals and wider society. These include improved physical and mental health, a reduced incidence of welfare dependency, increased taxation revenue, reduced usage of other government services, less likelihood of anti-social behavior and contact with the criminal justice system and increased purchasing power for individuals, which stimulates economic activity as well as enhancing living standards.

It is essential that Government supports the sector to minimise the risk of service closures and job losses. An ongoing policy and market stewardship role for Government should be maintained within the Social Services portfolio.

The Government can also support a smooth transition by providing targeted sector assistance including increasing the value and volume of purchasing

goods and services purchased from enterprises providing supports in employment.

The impact of COVID-19

In addition to the significant reforms above, the sector must recover from the social and economic impact of the COVID-19 restrictions enacted during 2020. Certain business and employment models will be unsustainable in a post COVID operating environment. Equally, new business opportunities and employment models may become more common.

A period of national introspection post COVID-19 will require a comprehensive examination of the Government's counter measures and their impacts on Australia's society and economy. This would require the consideration of actions such as:

- Reinvigorating Australia's manufacturing sector
- Slowing the outsourcing of lower skilled jobs to overseas economies
- Ending Australia's previous total dependence on the importation of particular classes of manufactured goods
- Establishing domestic supply chains that are more resistant to external economic shocks

Implementation of these actions and a shift in Government policy to include employers of people with disability has the potential to create significant commercial and employment opportunities for the sector and people with disability it is committed to supporting.

The role of government and procurement from disability enterprises

The Commonwealth has played a leading role in procurement initiatives developed to benefit the sector and its employees with disability. Some state governments (e.g. NSW and Victoria) have also demonstrated their strong commitment to social procurement policy.

However, a more concrete, formal commitment to procurement of goods and services from Disability Enterprises by government agencies needs to be made. This commitment should include a minimum level of purchasing by each department and agency of every Australian government, articulated in the revised National Disability Strategy.

Implement welfare benefit reform

The SES Award reforms will lead to the payment of higher wages for employees with disability working in supported employment settings. Higher wages may fuel concerns among employees with disability and their carers about adverse impacts on welfare benefits and act as a disincentive to gaining increased wages or work hours.

Welfare benefit reform should be implemented that addresses disincentives to work for people with disability, both real and perceived. Included in that reform should be a

communication strategy for people with disability and carers, particularly those in regional and remote communities and those with little access to the internet.

Recommended reforms may include extending the pensioner work bonus to supported employees receiving DSP and/or implementing a social wage model that complements ongoing wage reform in the sector. A social wage model would recast the relationship between a supported employee's wages and welfare benefits (by combining them into a wage paid by the employer) and resolve pro rata wage rates.

Establish a structural adjustment fund for capacity building measures that assist the sector post COVID-19 restrictions

The period covered by the Industry Vision will be one requiring profound structural adjustment across the sector, further exacerbated by the COVID-19 restrictions. The Temporary Viability Support (TVS) package of \$24.5 million announced in April 2020 and recent TVS grants to the sector are a useful start in this adjustment process.

However, structural adjustment support will continue to be required by organisations planning to diversify their employment support and business models, especially to take advantage of new business opportunities arising in the aftermath of COVID-19.

NDS recommends the Government establish a sector Structural Adjustment Fund that enables organisations to:

- Undertake change management planning
- Operate innovative business and service models in a post COVID-19 environment through targeted seed funding, loans and/or grants
- Adopt measures that enhance business productivity, including the application of technology
- Gain access to relevant business and service model expertise by collaborating extensively with other supported employment services and mainstream businesses
- Build the capacity and skills of their support workforce to provide a wider range of employment options

Establish a sector business incubator model

In addition to the Structural Adjustment Fund, NDS also recommends that the Government assist in the establishment of a sector specific business incubator model by working with a panel of existing [accelerator firms](#) that assists organisations with feasible new business ideas and a workable business plan. Start-up accelerators and incubators are organisations or business programs that provide mentorship, advice, and resources to help a start-up succeed.

Supporting and enhancing the sector in rural and remote areas through market stewardship

In addition to sector support initiatives identified above, the Government has a key market stewardship role that ensures access to services and supports where the

market may be unable to provide these. The NDIA has been charged with this market stewardship role more broadly in regard to the provision of disability services.

Resourcing start-up development in the sector

Resources to support development of regional business start-up support such as accelerator and incubator hubs should be promoted; and incentives should be provided for employment support providers to operate in rural and regional areas not currently or adequately serviced, through the provision of government procurement opportunities.

Extending NDIS funding and IR coverage for growth and choice

NDIS funding and industrial relations coverage needs to be extended to allow new employment support providers to enter the market. It is currently extremely difficult for new providers of supported employment models (e.g. social firms) to gain recognition through the Quality and Safeguards Framework. These providers were also unable to obtain ongoing employment support funding (similar to the DMI funding) through the NDIS for their employees in these models. NDS recommends that the new NDIS “supports in employment” pricing framework allow registered NDIS providers (not previously funded to operate Disability Enterprises) to provide supported employment if they meet the relevant Q&S Framework requirements and Industrial Relations provisions.

New providers are also barred from utilising the SES Award, even though their service models may be similar to existing ADEs. NDS acknowledges that possible IR reforms are highly likely to arise from the review of the SES Award and current related litigation.

Allowing new employment support providers to enter the supported employment space would ensure additional employment opportunities for people with disability, help address current service provision shortages and enhance NDIS participant choice.

Growing local employment support networks

The Government should support the development of local partnerships similar to Ticket to Work Networks that include employment support providers, NDIS planners and LACs, local councils, employers, government agencies, NDIS providers and education providers (e.g. schools, TAFEs).

Identifying a role for government(s) in assisting the sector to evolve and thrive

Governments at all levels have an important role to play in assisting the sector to evolve and thrive. The Commonwealth Government administers the NDIS through the NDIA, and operates other interdependent social policy and labour market programs. Strong Government support for the sector will also help ensure the goals of the NDIS Participant Employment Strategy are met.

NDS recommends that Government(s) provide direct assistance to the supported employment sector through the following:

- Mandated levels of government purchasing from supported employers by all three levels of government and allow rollover of government contracts if provided by a disability support service (so there is no need to re-tender)
- Mandated employment quotas for people with disability in government agencies with on the job support provided either through DES or registered NDIS employment support services
- Procurement incentives for commercial businesses purchasing goods or services from supported employment providers, e.g. tax breaks
- Allowing NDIS employment support providers to more easily offer support in open employment settings – for NDIS participants ineligible for DES and for NDIS participants in DES who cannot receive the necessary ongoing support through DES
- NDIS employment support providers are automatically eligible to offer transition supports (similar to SLES)
- Ensure NDIS planners and LACs are better informed about supported employment options and providers
- Allow registered NDIS providers (not previously funded as Disability Enterprises) to offer ongoing employment support for NDIS participants through the new Supports in Employment pricing
- Overhaul wage subsidy arrangements to ensure equity in subsidies provided for placement of jobseekers with barriers to employment
- Include an element of future Jobs and Market fund grant rounds that focuses on developing the support workforce of the sector
- Ongoing promotion of positive media stories on supported employment models (similar to the “Employ Their Ability” initiative)
- Support Return on Investment and economic and social impact models for the sector, especially the NDS BuyAbility Social and Economic Impact Tool
- Establish a structural adjustment fund to assist the sector implement new business models and a wider range of employment supports and options

By actively supporting the sector over the next three to five years, governments can ensure this ambitious reform agenda is implemented successfully and that providers of supported employment are able to assist significantly increased numbers of people with disability to obtain quality employment options.

April 2021

Contact: David Moody
 Chief Executive Officer
 National Disability Services
 03 8341 4343
david.moody@nds.org.au

National Disability Services is the peak industry body for non-government disability services. It represents service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. Its Australia-wide membership includes over 1050 non-government organisations which support people with all forms of disability. Its members collectively provide the full range of

disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.