

An Industry Vision for the Supported Employment Sector from 2021

A Vision for the Supported Employment Sector 2025

By 2025 the supported employment sector will:

1. Ensure widespread provision of supported employment as a best practice work option enabling significantly increased numbers of people with disability to participate in the economy
2. Promote and provide access to skill-building opportunities and career pathways for people with disability in a wide range of employment options and settings
3. Provide high quality employment conditions that reflect community expectations and industrial relations legislation for people with disability
4. Operate sustainable businesses producing high quality products and services which harness technology for the benefit of their employees with disability
5. Comprehensively report on the sector's social and economic impact so that supported employers and their commercial partners can demonstrate their contribution to building a more inclusive and equitable society

Key priorities and objectives for the Sector

The implementation of this Industry Vision will assist Disability Enterprises to achieve the following objectives:

- Diversify their range of employment options and supports to better enable NDIS participant choice and control
- Implement the NDIS pricing framework for employment supports
- Implement reforms arising from the work and recommendations of the Disability Royal Commission
- Implement new wage setting arrangements for employees with disability
- Upskill its support workforce to deliver a wider range of employment options
- Play a key role in delivering the goals of NDIS Participant Employment Strategy 2020-2022
- Diversify and strengthen work options, including those in the emerging digital economy

Background and current issues

The Industry Vision is intended to guide Disability Enterprises through full transition into the NDIS in a post COVID-19 operating environment.

The introduction of the NDIS “Supports in Employment” pricing framework and full transition of the sector into the scheme commenced from 1 July 2020. The Disability Employment Assistance Program, which has been the key legislative, regulatory and funding framework under which the sector has operated since 1986, will cease from 31 March 2021.

The significant work on wage reform within the sector had been put on hold for two reasons. The impact of COVID-19 led to the indefinite postponement of a three-month trial of the Fair Work Commission’s proposed new wages structure. The trial was due to commence from 1 May 2020 and would have involved NDS and some of our members. Further work on wage reform was further delayed due to a Federal Court application that disputes the legality of the FWC’s proposed wage framework. The Federal Court heard and dismissed the Application in February 2021. Consequently, the trial of the new wages framework has commenced, but the timetable for its introduction has been delayed by 12 months.

The Disability Royal Commission (DRC) held a series of hearings on disability employment from 7-11 December 2020. The DRC will revisit disability employment in July/August 2021.

Disability Enterprises are now expected to operate in an NDIS environment as providers of a broad range of employment supports and options for NDIS participants. These supports and options should reflect the level of support an individual may require and take into account their choice and control over preferred employment options and career aspirations.

In order to respond to consumer and community expectations, Disability Enterprises will need to transition beyond their current service model as predominantly employers of people with disability. It is important to note that the Industry Vision will continue to recognise and emphasise the important role of supported employment as a legitimate option for people with disability who choose to access it.

In addition, the Industry Vision articulates ways for the Government to support the sector through this period of transition, so as to minimise the risk of service closures and job losses. The Federal Government has the ability to support a smooth transition by providing targeted sector assistance (including an increased rate of purchasing of goods and services from supported employers) and exercising its market stewardship role as required.

The sector will have a central role in ensuring a significant increase in the rate of employment of NDIS participants from the current number of around 52,975 (of 220,730 participants of workforce age at 30 June 2020) to 83,230 (30% of an expected 277,437 participants of workforce age in three years). As noted above, a significant increase in the employment rate of people with disability aligns directly with whole of government policy and strategy in Australia.

The impact of COVID-19

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

A period of national introspection post COVID-19 will require a confronting examination of the Government's counter measures and their impacts on Australia's society and economy. This will require 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
- Ensuring that those particularly adversely impacted by the economic downturn, e.g. women, young people, single parents¹ are specifically prioritized in the design and delivery of economic recovery measures
- Ensuring that those already at the margins of the economy, e.g. people with disability are not further disadvantaged by economic recovery measures

Implementation of the actions above would result in significant commercial and employment opportunities for Disability Enterprises.

The overarching structure of the Vision:

The aim of this Industry Vision is to ensure that enhanced capacity and capability of the supported employment sector will enable it to:

- Continue its transition into a service delivery framework that aligns with the principles of the NDIS
- Provide service models that offer a wide range of quality employment options and supports for people with disability
- Comply with a new IR environment, including the new wages structure for employees with disability
- Implement reforms and deliver supports that reflect the outcomes and recommendations of the Disability Royal Commission

Other elements of the Vision are:

- Objectives as identified above
- Strategies, actions and initiatives for implementation
- A series of outcomes

Implementation of the Industry Vision will also involve harnessing sector leadership to inspire and drive change. An Industry Vision Leadership Group will be established.

¹ <https://pursuit.unimelb.edu.au/articles/who-s-hit-hardest-by-the-covid-19-economic-shutdown>

A SWOT analysis has also been developed to present an overarching current picture of the sector.

Ultimately, the sector itself must drive the implementation of the Industry Vision.

In three years, we envisage the sector will be able to offer a comprehensive range of employment options for people with disability, including:

- Transition to employment
- Supported employment
- Social Enterprise
- Supported open employment
- Open employment
- Self-employment

Drivers of change that will require a sector wide response

Individual preference:

NDIS participant cohort numbers indicate there will be a larger number of people with disability seeking employment in settings other than the traditional Disability Enterprise model. Providers will need to be able to respond to these individual preferences.

The new NDIS pricing for supported employment:

Current approaches by the NDIA to pricing may make it extremely difficult to provide low support levels in large congregate settings. The pricing model is complex and may be an additional compliance burden due to detailed individual assessments being required for each supported employee, based on the model currently proposed by the NDIA.

Adoption of sector wage reform through the SES Award review:

There will eventually be one wage setting structure adopted across the sector. NDS will continue to advocate for time limited wage supplementation to assist with transition.

Disability Royal Commission:

Recommendations made by the DRC may drive welfare and social policy reforms that impact on the supported employment model.

Ensuring employment opportunities for high support needs people:

There remains a concern that employees/jobseekers with high support needs who face significant barriers to employment will be marginalised from the labour force, particularly in the context of a post-COVID-19 economy.

Crafting employment pathways:

Enhanced pathways to employment will allow employees/jobseekers access to a wider range of employment options and a career path across their working life.

Upskilling the workforce that supports employees with disability:

As part of a commitment to providing support in a wider range of employment settings it is imperative that the sector co-design and implement a supported workforce strategy.

The role of government and procurement from disability enterprises:

An ongoing policy role for government needs to be maintained within the Social Services portfolio. A more concrete commitment to procurement of goods and services from Disability Enterprises by government agencies needs to be made – a whole of government commitment is required to implement this strategy. This commitment should include a minimum level of purchasing by each department and agency of every Australian government, under a revised National Disability Strategy.

The current state of the sector– a SWOT analysis

This analysis provided a starting point from which to identify strategies and initiatives for the Industry Vision.

Strengths

- Supported employers have unparalleled knowledge of and experience in the provision of quality employment options for people with disability
- Networking and collaboration within the sector is strong
- Supported employers are increasingly delivering a wider range of innovative service models and supports
- Supported employers have built long standing economic and social relationships within their local communities
- Supported employers offer important employment opportunities in regional and remote communities
- Current Federal Government and Opposition policies emphasise the continuation of supported employment as an employment option for people with disability.

Weaknesses

- The provision of quality employment options and supports is not uniform across the sector
- Lack of targeted programs to support people with disability at transition points, e.g. school to work, tertiary study to work, return to work (following injury or break)
- The system treats employment as a simple linear experience which people with disability can readily move in and out of. This does not recognise and embrace the volatility of work, individual life experiences and individual choice and control
- Detailed knowledge of NDIS processes and how to operate efficiently within the scheme is not uniform across the sector
- The supported employment model remains the target of strident opposition by some advocacy groups
- The challenges faced by the sector when explaining the rationale underpinning current pro rata wages are significant and longstanding

- The range of goods and services produced by Disability Enterprises and the rate at which they are produced is often restricted due to employing a workforce composed largely of people with disability

Opportunities

- Government policy initiatives designed to complement the NDIS participant employment strategy will benefit supported employment providers
- Expectations of younger NDIS participants will drive the provision of an increased range of employment options and supports as well as enhanced choice and control
- Further evolution of the supported employment model as well as provision of a wider range of employment options and supports will increasingly sweep away negative perceptions of employment options for people with disability
- The sector can enhance its ability to meet government procurement opportunities through collaboration among Disability Enterprises providing different elements of a supply chain
- Refreshing the conversation about what is meant by work and the links between various forms of work, e.g. volunteer work, paid work, leadership roles on boards and committees and so on.

Threats

- Business closures and job losses/reduced employee hours
- Increased risks of unemployment, not only for people with disability, but for support workers
- The reforms causing a disproportionately adverse impact in rural and regional areas
- Low community expectations of the aspirations, capabilities and capacities of people with disability
- Continued attacks, including legal actions taken against the supported employment model and the FWC's proposed wages structure
- Isolated incidents of violence, abuse, neglect and exploitation in supported employment raised during the DRC may be construed in the media as examples of widespread practice
- New service providers/employers being unable to enter the supported employment market, hindering NDIS participant choice and control, restricting the ability to meet service provision gaps and constraining job opportunities
- Ongoing competition from low wage economies overseas providing goods and services traditionally offered by Disability Enterprises (e.g. China, India, South East Asia)
- Inability to respond to commercial pressures and diversify business lines or access commercial opportunities that require provision of different goods and services, especially in a post COVID-19 environment
- NDIS planning processes continuing to impede participants from accessing employment opportunities in sufficient numbers
- New labour hire regulatory regimes in various state and territory jurisdictions may inhibit supported employers providers offering this model

Implementing positive proactive reforms that transform the sector over the next 3-5 years

SES Award reforms will lead to the payment of higher wages for employees with disability. However, concerns about the payment of pro rata wages and the interaction of earned income and welfare benefits can only be resolved by welfare benefit reform. Any welfare benefit reform needs to address disincentives to work, both real and perceived. Reforms could include extending the pensioner work bonus to supported employees receiving DSP or implementing a social wage model that complements ongoing wage reform in the sector. For example, 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 render pro rata wage rates redundant.

Expectations of a younger cohort eligible for the NDIS has the potential to drive a move away from widespread provision of traditional congregate models offering only low skilled work. Supported employment providers will need to focus on enhanced provision of vocational training and career development. Customised employment principles will need to be adopted so that supported employers can place more people in mainstream work settings, possibly by leveraging the skills and experience of the current non-supported workforce.

Supported employers will need to build partnerships with mainstream employers and increase their provision of labour hire models. Barriers between open and supported employment should be removed wherever possible, to enable placement of DES ineligible jobseekers in open employment with provision of higher levels of ongoing support when needed.

Capacity building initiatives that assist the sector to provide a broader range of employment options

These could include:

- A platform for sharing innovative practice, including best practice models from overseas
- Development and implementation of a research program to gather, analyse and disseminate evidence based best practice
- Promotion of the sector and its service models as well as increased engagement with mainstream employers and commercial business partners

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. The Government's strong support for the sector will also help ensure the goals of the NDIS Participant Employment Strategy are met. The Commonwealth has played a leading role in procurement initiatives developed to benefit the sector and its employees with disability. Government should provide direct assistance to the sector through implementation of a range of measures including the following:

- Mandated levels of government purchasing from supported employers among 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 by employment support services
- Offer procurement incentives for commercial businesses, 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 unable to receive necessary ongoing support through DES
- NDIS employment support providers are automatically eligible to offer transition supports (similar to SLES given it is likely to be the subject of further reforms)
- Ensure planners and LACs are better informed about supported employment options and providers
- 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
- Support the promotion of positive media stories on supported employment models
- Support Return on Investment and economic and social impact models for the sector such as the BuyAbility Impact Measurement Tool
- 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

Access to a structural adjustment fund

The period covered by the Industry Vision will be one requiring profound structural adjustment across the sector, further exacerbated by the impacts of the COVID-19 pandemic.

Structural adjustment support will 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 and to provide further employment opportunities for people with high levels of disability.

The Australian Government should establish a sector structural adjustment fund that enables organisations to:

- Undertake change management planning
- Build a library of evidenced based practices and resources
- Implement and operate innovative business and service models 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
- Collaborate more extensively with other supported employment services and mainstream businesses

- Build the capacity and skills of their support workforce to provide a wider range of options

Support and enhance the sector in rural and remote areas through market stewardship

In addition to the sector support initiatives identified above, Government has a key market stewardship role to ensure access to services and supports where the market may be unable to provide these.

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 IR 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 type models to gain recognition through the Quality and Safeguards Framework. These providers are also unable to obtain ongoing employment support funding (similar to the DMI funding) through the NDIS for their employees in social firm-type models. New providers are also barred from utilising the SES Award, even though their service models may be similar to existing Disability Enterprises.

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

There are also opportunities to develop and sustain 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).

Building the capacity and capability of the support workforce to deliver a wide range of employment options in various settings

In implementing the Industry Vision, it is critical that the capacity and capability for the support workforce continues to be grown via range of measures including:

- Developing a sector support workforce capability plan, possibly leveraging off the work being done currently to develop a National Workforce Strategy.
- Identifying the needs of the workforce. Evaluate the sector's workforce needs as supported employers move beyond their traditional role to provide a wider range of employment options and supports.

- Providing access to future Jobs and Market fund grant rounds to fund workforce development initiatives.

Actions required to achieve outcomes

The actions required to achieve the outcomes outlined in the Industry Vision should include development of a Best Practice Guide identifying case studies and elements of best practice in the following:

- Application of new NDIS pricing, including assessments of each employee's pattern of support, including on the job supports, non-work related supports and non-face to face time.
- Job and task design, classification of employees and principles of sound wage assessment as applied following reforms to the SES Award. Internal IR policies and procedures that align with the reforms.
- Transition to the provision of a wider range of employment options and supports.
- How to facilitate choice and control for school students, jobseekers, employees and workers supported in mainstream settings, including career planning, discovery principles and models of support provision.

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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.