



National Disability Services Submission: Next Steps in Supported Employment

About National Disability Services

National Disability Services (NDS™) is Australia's peak body for disability service organisations, and Australia's biggest and most diverse network of disability service providers. Our valued members collectively operate several thousand services for more than 300,000 Australians with disability and employ a workforce of more than 100,000 people.

NDS is committed to a sustainable and diverse disability service sector, underpinned by the provision of high-quality, evidence-based practices and supports that strengthen, safeguard and provide greater choice for people with disability in Australia.

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1.0 Overview

National Disability Services (NDS) welcomes the opportunity to make a submission in response to the Department of Social Services' (DSS) discussion paper: Next Steps in Supported Employment.

NDS is committed to a sustainable and diverse disability service sector, underpinned by the provision of high-quality, evidence-based practices and supports that strengthen, safeguard and provide greater choice for people with disability in Australia. We have an extensive record of practical, effective support for our employment service members, which includes a significant proportion of open and supported employment providers nationally.

NDS has worked closely with our members to drive extensive reform of the supported employment sector over the last five years. In partnership with our members, we have taken an active role in this process through:

- Our Industry Vision for Supported Employment
- Our advocacy in the DRC and the Fair Work Commission
- The development of comprehensive resources on employment support models
- Commissioning important research reports on sector policy, wage reform and the Customised Employment model
- Comprehensive proactive engagement with sector stakeholders, including social enterprise peaks, philanthropic bodies and employee and family advocacy organisations.

We have also worked closely with government through our strong relationships with the Department of Social Services and the NDIA, as well as active engagement with members of the federal parliament.

This submission will address the questions raised in the discussion paper, incorporating findings and recommendations arising from the extensive consultation and collaboration with our members who provide supported employment services.

2.0 Responses to discussion paper

Question: What is your ideal future state for the supported employment sector and employment of people with disability with high support needs?

Following a recent member forum held in May, we have developed an updated vision for the ideal future state for the supported employment sector:

“That the disability employment system reflects and supports the aspirations, rights, diverse needs and choices of people with disability.”

All people with disability should have the freedom to choose their employment setting and be supported to pursue their preferences throughout their career. These include transitions between school and higher education to work, between employment settings or through other life events that may interrupt their participation in the workforce. They should be able to access work and career focused supports while still in school, universal transition pathways post school as well as continuous, integrated supports across education, the NDIS and other employment programs.

Supported employment should not be a default or endpoint but a legitimate choice among a wider range of employment options. It is essential that any policy reforms do not restrict access to work options or result in job losses for jobseekers and employees with higher support needs.

Question: What additional actions do you consider are necessary to increase employment of people with high support needs in open/inclusive settings?

We have identified the following additional actions:

- Support for inclusive employers
- Enable training and career pathways
- Encourage innovation

Support for inclusive employers

NDS and our members support increased access for jobseekers and employees with disability to inclusive employers across all settings. However, many of these organisations will require further support to transform their service models to better meet community expectations while providing additional employment opportunities to people with high support needs, given the latter's persistently low rates of employment. Service closures will result in more people with disability being denied the opportunity to work and result in them accessing community support programs, which cost more to provide.

Disability employment providers can utilise their expertise to assist other employers to customise mainstream jobs for people with disability at scale. Creating demand in the labour market relies on promoting the value of hiring people with disability and reforming procurement and disability recruitment policies.

Enable training and career pathways

Government policy settings should enable providers to assist people with disability to access real career development options by investing in tailored skills development. Providers should ensure jobs are aligned with and reflect, the broader and emerging jobs and skills market with meaningful and valued work opportunities available for employees of all abilities. Stronger alignment with disability employment programs is needed to foster pathways to other mainstream settings, including social enterprise.

Development of the skills and capability of the support workforce is also essential to ensure jobseekers and employees with disability receive enhanced support to access a wider range of employment pathways.

As per the Disability Royal Commission recommendation (but with a broader remit), provision of the customised employment model should be delivered at scale for jobseekers and employees through flexible funding under DES/IEA and the NDIS.

Encourage innovation

Support the sector to explore and embrace innovation that promotes and delivers inclusive business models and financially sustainable practices. This includes moving beyond traditional supported employment models to ones that offer training,

development and meaningful work options for people with disability, as well as communicating value to external customers and commercial partners.

Capacity building support funding, similar to the Structural Adjustment Fund grants should be offered to enable inclusive employment services to identify newer work opportunities and sustainable business models.

Question: The Royal Commission recommended the development of a Plan or Roadmap to guide further reform in the supported employment sector. What would you like to see included in such a plan?

We have identified the following elements of a National Inclusive Employment Roadmap:

- Creating a seamless interface between support systems
- Defining and accrediting the inclusive social enterprise model
- Highlighting good practice
- Formal adoption of a whole of government procurement policy
- Collection of more comprehensive data
- Collaborative engagement with people with disability, their families and carers

The sector's ability to deliver on its social mission and its unique value and expertise in job customisation, depends on government support to address structural barriers, including wage equity, sustainable and accessible funding and recognition of the shared responsibility in supporting people with high and complex needs.

NDS has identified key enablers required for ongoing sector transformation that we would like to see included in a national inclusive employment roadmap developed by government. These will ensure that supported employment providers continue to employ people with high support needs in meaningful work that is commercially sustainable.

In addition, the roadmap should place an emphasis on a new narrative for employment support models that recognises "supported employment" can be provided in all types of employment settings, rather than only disability enterprise type models. This would also

ensure that the Australian definition of supported employment aligns with the definition used more broadly overseas.

Creating a seamless interface between support systems

Jobseekers and employees with disability should be supported by an employment ecosystem that operates as a seamless continuum. Currently there are policies and programs in place that operate as disconnected domains. These include the NDIS, Disability Employment Services (DES, replaced by Inclusive Employment Australia from 1 November 2025), income support arrangements, education, health and rehabilitation systems. The disconnects between these domains make it extremely difficult for people with high support needs to navigate the system so they can avoid delays, service gaps and misaligned supports, let alone gain or maintain employment.

An obvious example is the current disconnect between NDIS funded employment supports and DES. Despite the ability to access both DES and NDIS funded supports concurrently, many participants find themselves struggling to coordinate the two systems, hindered further by limited data sharing, role clarity, clear accessible information and accountability between providers and agencies. These inconsistencies create stress and confusion for participants as well as avoidable barriers to employment.

It is essential that formal coordination mechanisms are developed between the various systems and interfaces, common planning tools and outcomes frameworks are adopted and data integration and information sharing is significantly enhanced. Finally, a common capability framework should be developed for NDIS planners/LACS, employment service providers and education systems that supports consistent expectations and language about work and careers.

Defining and accrediting the inclusive social enterprise model

Work with NDS members, accreditation bodies and other key stakeholders including participants and relevant advocate groups to develop a clear definition of the inclusive social enterprise (disability) model and an aligned social enterprise certification framework.

The certification framework would better enable and underpin a Commonwealth social procurement policy with a clear focus on disability.

Highlighting good practice

It is important to showcase the positive impact of disability focused employers and the value and opportunity they deliver to individuals with high support needs, communities and the broader economy. Success stories should be highlighted and misconceptions challenged, to ensure greater support for disability employment. Lessons from high-performing employment models should be identified and shared, especially highlighting the participant experience and options that would support innovation and sustainability across the sector.

The role of the Centre for Inclusive Employment should be promoted to support and share evidence-based practice and build the capability of employers to recruit more people with disability.

Formal adoption of a whole of government procurement policy

In consultation with the sector, develop and adopt a legally binding Commonwealth, State and Territory procurement policy with a focus on disability employment (similar to the Indigenous Procurement Policy) that creates greater workforce demand for employees with disability and ensures the financial sustainability of disability focused social enterprises. The policy should emphasise that all levels of government formally endorse employers of people with disability and the value of their social enterprises in providing inclusive workplaces with a particular focus on meaningful employment for those with high support needs.

Collection of more comprehensive data

The sector requires more comprehensive national datasets for measuring, benchmarking and reporting its progress to support evidence-based policy development. Longitudinal data should be collected to monitor the number of people with disability in employment, hours worked, wage growth, employee satisfaction and rates of transition into other employment settings. Improving public access to these datasets will support positive messaging and demonstrate the sector's progress and capability.

NDS recommends government support the development of a comprehensive national data set that measures, benchmarks and reports progress against key goals, such as

improvements in wage rates, employment outcomes and career development opportunities.

This data set should be a formally identified component of the National Disability Data Asset and be prominently publicised and easily accessed through the Centre for Inclusive Employment.

Collaborative engagement with people with disability, families and carers

Work collaboratively with people with disability, families, employers and disability advocates to shift perceptions, influence policy, and promote effective and sustainable employment support models and options.

Work with the sector to amplify lived experience through individual and collective advocacy harnessing the powerful positive employment experiences and outcomes for people with disability.

Support the development of tools and resources for jobseekers, employees and their families and carers that allow them to share personal stories and clearly communicate why they value supported employment.

Question: How could the sector best increase wages for people with disability while avoiding job losses?

The supported employment sector is committed to promoting fair working conditions in safe and inclusive work environments that comply with the industrial relations system and which evolve with generational and societal expectations. This includes real income progression and further exploration of new models that enable greater economic participation of people with high support needs.

In 2024, NDS and the Endeavour Foundation engaged Taylor Fry consultants to examine several wage reform options for supported employment settings. One of the key findings of their report was that between 10-30 per cent of employees with disability working in supported employment (around 1,500 to 4,500 employees) were likely to lose their jobs due to the annual wage increases scheduled in the SES Award until mid-2026.

NDS and our members are of the view there is an ongoing policy reform and service provision challenge that is yet to be addressed by various wage reform proposals for employees with disability.

This is an economic and business viability issue arising from the large-scale employment in social enterprises of people with severe disability (and/or high support needs) whose reduced productive capacity results in insufficient revenue to ensure the ongoing financial viability of their employers' commercial operations.

Evidence collected by NDS from our members over the last four years suggests that while supported employee wages are increasing at a rate well above wage growth in the wider economy, their hours worked have remained unchanged.

Once the three-year transition period for the SES Award wage reforms expires, there will still be a substantial proportion of employees with disability in supported employment settings earning significantly less than the national minimum wage.

Question: Are there examples that currently exist that can be leveraged? Are there new approaches that could be tested?

The Disability Royal Commission has recommended that pro rata wages for employees with disability be phased out over a ten-year period, including all employees earning at least 50 per cent of the national minimum wage after five years and a pathway developed to ensure all are earning the full minimum wage by 2024. The DRC also recommended that, if necessary, government subsidise employers for the difference between the wages under the relevant award or EA until 2034.

Unless the federal government commits to significant reform of either the welfare benefit system and/or the financial support provided to supported employers, the inevitable result will be reductions in employee hours worked, job losses, service closures and people with higher support needs being further marginalised from the workforce.

The government must seek support from and collaborate with key stakeholders on the development of wage-setting mechanisms that ensure both fairness and sustainability.

Welfare benefit reform

NDS recommends that an arrangement similar to the Pensioner Work Bonus should be extended to people receiving DSP in paid employment. The 2024 Taylor Fry report examined a social wage model with 50 per cent of the pensioner work bonus extended to supported employees and identified costs to government, should it be adopted. This modified work bonus would mean employees on the DSP could earn an additional \$150 a fortnight that was not subject to the pension income test, an immediate effective wage increase of \$75 a fortnight.

NDS also recommends reform or removal by government of current DSP-related disincentives to work. An increase in the income test threshold, a reduction in the DSP withdrawal rate (e.g. from 50 to 30 per cent) and strengthening the employee safety net provisions, such as extending the retention of the Pensioner Concession Card period and the exclusion period from DSP reapplication from two to ten years, should all be considered by the government.

Question: Do you see a role for workplaces which provide specialised employment opportunities for people with disability in the future? If so, what should these workplaces look like?

It is imperative that supported employment settings based on the provision of a highly supportive work environment should not be denied to employees and jobseekers with more severe disability should they choose to access this option.

Increasingly these types of more traditional (or congregate) supported employment settings will evolve into the inclusive social enterprise model, delivered in more commercially focused business enterprises with more mixed workforces and with work being conducted in variety of settings. These inclusive social enterprises will generate the majority of their revenue through their commercial operations and a significant proportion of their workforce will be employees without disability.

Question: How could the benefits of supported employment settings be reflected in open employment settings?

The expertise of supported employment providers should be harnessed to create more inclusive workplaces across the broader economy and labour market and ensure that in

future all workplaces could provide specialised employment opportunities for people with disability, not just in supported employment settings and social enterprises.

Supported employment providers currently operate a range of employment and business models and are committed to diversity, inclusion and commercial sustainability. Their workforces reflect a spectrum of abilities, with many employees requiring varying levels of ongoing support to participate fully in meaningful work during their careers.

They have long led the way in customising jobs for people with disability, demonstrating at scale that people with disability can and do contribute significantly to the Australian economy and society.

The supported open employment model

A growing number of NDS members have developed employment support models over recent years that are increasingly resulting in sustainable and rewarding mainstream employment opportunities for employees with disability who previously worked in highly supported and/or congregate settings.

These new models operate in various ways that reflect the individual workplaces' circumstances and commercial priorities, but they all have similar features that enable employees with disability to engage in rewarding well paid work in mainstream workplaces. These include:

- Supporting employees to consider work in other settings, especially mainstream ones
- Use of the discovery process for employees to determine their goals, strengths, skills and interests that could be applied to a job placement, including access to formal training
- Work experience placements and/or "job tasting"
- Extensive engagement with and support for external employers, who in many cases may be existing commercial customers or partners of the supported employment provider
- Trial work placements for supported employees in external settings
- Provision of a range of ongoing support as required by the both the employer and the employee once the latter is placed in a new job

These types of models should be strongly encouraged and supported by government. They reflect individual choice, encourage skill development, meet the expectations of younger employees with more ambitious career aspirations, offer broader roles for support workers, create more inclusive workplaces in mainstream settings and have a track record of producing successful employment outcomes.

3.0 Conclusion

The future of supported employment in Australia must reflect the adoption of sound evidence-based policy that enables true choice and control for jobseekers and employees throughout their careers. It should be provided through an integrated ecosystem that recognises the employment journeys of people with high and/or complex support needs are rarely linear and may be frequently interrupted.

The submission has identified a series of practical improvements, successful models and high-level policy reforms that would enable significantly enhanced employment outcomes for people with disability through access to a disability employment system that reflects and supports their aspirations, rights, diverse needs and choices.

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