



Australian Government

Department of Social Services

The Future of Supported Employment

Discussion paper

June 2023



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Introduction

1. Supported employment refers to jobs where people with high support needs (i.e. those who, because of their disabilities, need substantial ongoing support to obtain and/or keep paid employment) can receive extra support while they are at work.
2. In Australia, the term supported employment has largely become synonymous with Australian Disability Enterprises (ADEs). There are around 160 ADEs across Australia providing work for approximately 16,000 people with disability.
3. While ADEs play an important role in providing employment opportunities for people with disability, they are not, and should not, be the only employment option for people with high support needs.
4. Government is committed to ensuring that people with disability have genuine opportunities to work in a wide range of settings, be it in an ADE, social enterprise, in open employment or in their own business.


5. As part of the 2023-24 Budget, the Australian Government announced a commitment of \$57 million over four years to:
 - create ongoing employment opportunities for people with disability with high support needs;
 - assist the supported employment sector to evolve to better meet community expectations; and
 - provide people with disability with high support needs, their families and carers with access to advocacy support and information to build their confidence and understanding about their rights and options at work.
6. This investment includes six initiatives focused on supported employment:
 - \$35 million over three years for a **Structural Adjustment Fund**. The Fund will provide grants to enable supported employment services, social enterprises and any other eligible organisations to evolve their business models to:
 - create pathways to open employment;
 - better meet community expectations; and
 - create sustainable employment opportunities for people with disability;
 - \$6 million over three years from 2023-24 to:
 - support organisations to **transition to the revised Supported Employment Services Award**, by providing training and information related to the Supported Wage System;
 - **consult on a disability business procurement initiative**, looking at how procurement can be leveraged to create sustainable jobs for people with disability;
 - **conduct an evaluation of supported employment initiatives and trials**, to measure the evolution of the supported employment sector following Government and philanthropic investment;

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- pilot up to eight **Expos** for people with disability and their families to explore new employment and support options; and
 - \$11.7 million over four years to establish a new program of **disability employment advocacy and information supports** for supported employees and their families and carers.
7. The package also includes the following measures to support people with disability in their employment:
- **\$3.2 million over two years from 2023–24** to extend the JobAccess Complaints Resolution and Referral Service and the National Disability Abuse and Neglect Hotline; and
 - **\$1.1 million in 2023–24** to undertake initial research, design and consultation work in preparation for the delivery of the Government’s election commitment to establish a Disability Employment Centre of Excellence.

The purpose of this paper is to seek feedback on the design of the new supported employment initiatives.

8. The six supported employment initiatives have been informed by the [guiding principles for the future of supported employment](#) (provided at Appendix 1), as well as feedback received over recent years, including:
- at the October 2022 Supported Employment Roundtable – which was attended by state and territory disability ministers, people with disability, family representatives, ADE representatives, peak bodies that represent people with disability, and other sector experts;
 - through consultation on the [New Disability Employment Support Model](#) and the [National Disability Employment Strategy](#) (later renamed as Employ My Ability – the Disability Employment Strategy);
 - the [Consensus Statement on Disability Social Enterprises](#);
 - the [National Disability Services Industry Vision for the Supported Employment Sector](#); and
 - various submissions to the [Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability](#) relating to ADEs and supported employment.

9. Government’s investment in supported employment sits within the broader disability employment landscape. The overall goal is to create a system that emphasises the strengths of people with disability in the workplace and empowers employers to hire more people with disability.

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10. Broader processes and reviews currently underway will have implications for this work, including:
 - reforms to the Disability Employment Services (DES) program;
 - the Disability Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability;
 - the Select Committee Inquiry into Workforce Australia Employment Services;
 - the Independent NDIS Review; and
 - the Employment White Paper, which builds on the themes and outcomes from the Jobs and Skills Summit held in 2022.
 11. The Department of Social Services (the department) understands that any work to evolve the supported employment sector needs to be considered within this broader disability employment landscape.



Initiatives



1. Structural Adjustment Fund

12. \$35 million has been allocated to establish a Structural Adjustment Fund (the Fund). It is proposed that the Fund would distribute funding through two grants rounds, which would be run between late 2023 and June 2025.
13. The supported employment sector is already facing significant pressure to change and the Fund will assist the sector to do so.
14. Applications would need to demonstrate how proposed project/s would allow organisations to evolve their business in line with the [guiding principles](#). This could include organisations demonstrating how the project/s will provide pathways to open employment, greater opportunities for career development, result in higher wages for supported employees, or reduce segregation.
15. Organisations eligible for the Fund could include:
 - ADEs (defined as organisations that were previously funded by the Department of Social Services through the Disability Employment Assistance program);
 - NDIS providers registered to deliver ‘Specialised Supported Employment’;
 - social enterprises that provide employment opportunities for people with disability;
 - organisations seeking to deliver innovative programs to support people with disability to gain employment; or
 - consortium arrangements, as long as at least one member fits into one of the above categories. Partnerships with industry, or with other organisations that are using innovative approaches to support people into work, could also be encouraged.
16. Example projects that could be eligible include:
 - **building the capability of the support workforce** to provide more individualised support for people with high support needs, such as training staff on customised employment approaches;
 - **building the capacity of supported employees**, e.g. providing opportunities for supported employees to gain qualifications, or to establish and run their own business;
 - **expanding business lines** to improve viability and provide supported employees with access to a wider variety of employment opportunities; and
 - **developing partnerships** with mainstream employers, Disability Employment Services providers or other partners to provide clearer pathways for employees to move into open employment.
17. In some cases the Fund could also be used to support mergers or partnerships between organisations or carefully planned and supported exits from the market – with a clear focus on moving impacted employees to non-segregated settings.



Questions

- 1.1 What objectives should be prioritised in the design of the Fund?**
- 1.2 How could the grant selection process best foster innovative approaches?**
- 1.3 Do you have any views on the proposed eligibility for Fund applicants?**
- 1.4 Do you have any views on the kind of projects which should be eligible under the Fund?**
- 1.5 What should be the upper funding amount for individual projects? Would it be better to provide fewer, high value grants or more low value grants?**
- 1.6 Should the two grants rounds be open, competitive processes? Or should the second round be restricted to building on successful projects from the first round?**

2. Transition to the revised Supported Employment Services Award

18. In December 2022, the [Fair Work Commission](#) (FWC) handed down its decision on the review of the Supported Employment Services Award (the Award). Changes to the Award will commence on 30 June 2023 and include:
- adding two new wage classifications (Grades A and B) to the Award, sitting below the existing classifications of Grades 1-7;
 - removing all wage assessment tools available under the Award, with the exception of the Supported Wage System (SWS); and
 - a number of modifications to the SWS.
19. Further information on the changes to the Award is available on the Fair Work Ombudsman website at [Changes to Supported Employment Services Award](#).

20. The SWS is a wage assessment tool which enables employers to pay wages to an employee with disability based on how productive they are in their job. The SWS is administered and funded by the department through the National Panel of Assessors (NPA) program. The changes to the Award mean there will be a significant increase in the number of SWS assessments (expected to go from around 5,000 to 10,000 annually). Many employers will need to use the SWS for the first time. The transition timeframes for the new Award require that employers complete SWS assessments for their impacted workers by 30 June 2026.
21. This initiative is focussed on ensuring the sector can effectively transition to using the SWS. Actions may include:
- updating SWS training materials including existing handbooks, guidelines and e-learning modules, to ensure these accurately reflect the modifications set by the FWC; and
 - provision of training and information on the SWS assessment processes.
22. Given the new Award commenced on 30 June 2023, some of this work is already underway. In March 2023, the department established a working group with key stakeholders including NPA providers, National Disability Services, ADE representatives, union representatives, the Fair Work Ombudsman (FWO), Inclusion Australia and family representatives from Our Voice Australia.
23. This group has already worked together to develop communication materials on the changes to the Award and these have been circulated to supported employees and employers.

Questions

2.1 What information would best assist the sector to successfully transition to the revised Award?



3. Consultation on a disability business procurement initiative

24. The department has received feedback from stakeholders around the potential benefits of a procurement policy focused on disability employment. Such policies would leverage the everyday spend of Governments to bring a social benefit to the community. In coming months the department will consult on what a disability focused procurement policy could look like, and how it could increase the employment of people with disability. This consultation will seek to explore how procurement could support disability employment. This may include options beyond the supported employment sector.
25. The department will provide further advice to Government on potential options and their impact for consideration following this consultation.
26. Exemptions already exist within the procurement processes of the Commonwealth Government which make it easier for agencies to procure from supported employment providers and small and medium enterprises (SMEs)¹. These exemptions allow officials to directly engage ADEs and SMEs without needing to undertake a competitive process, which can take some time.
27. ADEs are currently delivering a mixture of services to the Commonwealth under the exemption, including temporary personnel services and administrative services. The total value of contracts awarded to ADEs under the exemption sits at roughly \$3.2 million in the 2022-23 financial year.² While these exemptions exist, there is no policy which sets targets, or promotes the use of procurement to drive increased employment of people with disability.
28. Options for what a disability procurement policy could look like includes:
 - **Mandatory Procurement-Connected Policy** – which would set targets for Commonwealth agencies on the volume and value of contracts awarded to eligible organisations.
 - **Disability Procurement Framework** – seeks to embed disability procurement outcomes in ordinary government business, with minimal burden on buyers or suppliers.

¹ Exemption 17 of the Commonwealth Procurement Rules (introduced in May 2023) allows entities to directly engage a small and medium enterprise (SME) for procurements valued up to \$200,000, or up to \$500,000 for procurements by or on behalf of the Department of Defence, providing value for money can be demonstrated. SMEs are defined in the CPRs and include Australian and New Zealand firms with fewer than 200 full-time equivalent employees. SMEs may include, but are not limited to:

- Local businesses, including manufacturers;
- Social enterprises;
- Veteran owned businesses; and
- Australian Disability Enterprises (ADEs).

² Austender, [How your Agency Procures \(tenders.gov.au\)](https://www.tenders.gov.au), accessed 13 June 2023.

- **Registration and Promotion of Existing Exemption** – which would involve the maintenance and promotion of a register of organisations eligible under the Commonwealth’s existing procurement exemption and the services they provide for Government spending.
- Other measures – which could include:
 - the **creation of a standing procurement panel** of eligible social enterprises which procurement officials can draw from; and/or
 - **draft clauses for inclusion in the Commonwealth ClauseBank** for awarding grants/contracts to entities which employ people with disability.

29. The department will be undertaking more in depth consultation on this initiative over the coming months.

30. As part of this consultation, feedback will be sought on:

- the scope of the policy;
- eligibility requirements for organisations;
- potential procurement targets;
- design of reporting obligations and compliance, to balance the importance of monitoring progress and minimising regulatory impost; and
- implementation matters, including timeframes.

31. In developing options for consideration by Government, the department will consider opportunities to maximise the impact of existing initiatives, as well as the potential for new initiatives.

Questions

3.1 What outcome should a procurement policy be seeking to achieve (e.g. increased employment for all people with disability or specific to those working in ADEs)?

3.2 What are the strengths of/opportunities created though the options described above?

3.3 Are there any potential risks associated with pursuing a disability procurement policy?

3.4 Are there alternate options the department could consider?



4. Evaluation of supported employment initiatives and trials

32. The department will conduct an evaluation of key measures in the 2023-24 Budget package, specifically: the Structural Adjustment Fund, Jobs Expos, Advocacy and Information program, as well as relevant projects funded by philanthropic organisations.
33. The evaluation will measure the success of these projects in evolving the sector in-line with the guiding principles for the future of supported employment. This evaluation will inform future supported employment policy design, as well as best practice in the employment of people with disability with high support needs. It will form part of the Centre of Excellence evidence base.
34. Through this evaluation, the department will seek to build an evidence base on:
 - the outcomes of the various projects, particularly how they have impacted employment opportunities for people with disability with high support needs;
 - the sustainability of the various projects, including if any projects could be extended or expanded;
 - models of support which could be documented and made available through the Disability Employment Centre of Excellence; and
 - the longer term policy settings required to ensure people with high support needs can meet their employment goals.
35. The proposed approach is to partner with evaluation experts to design and develop an evaluation and performance measurement framework.
36. The evaluator(s) could also be tasked with developing a baseline of the sector, which provides a picture of supported employment as it currently exists. This baselining work will then provide a comparison for the comprehensive evaluation which will be undertaken after Government funded programs have been in place for 2-3 years.

Questions

4.1 What success factors should be measured through the evaluation?

4.2 How can the perspective of people with high support needs be best captured in the evaluation?

5. Disability employment expos

37. It is proposed that the department will engage an organisation/s to run up to eight Expos to pilot the concept. The primary objective of these events would be to provide people with high support needs, and their families and carers, with information on a range of employment pathways and available supports. The Expos could allow attendees to:
- connect with local employers, particularly mainstream employers, who may have job opportunities available;
 - obtain information on supports available through the NDIS, Services Australia and the DES program;
 - connect with local NDIS providers that support people with disability to develop their capacity and find and maintain work;
 - find out more about person-centred approaches such as customised employment or self-employment, including micro-enterprises; and
 - learn about advocacy supports and services.
38. The Expos could also provide an opportunity for local people with disability who own a micro-enterprise to promote their businesses and/or sell their products. This could demonstrate the variety of jobs that people with disability can do.
39. The Expos would be evaluated as part of the evaluation strategy outlined in the above section “Evaluations of existing and new initiatives and trials”.

Questions


- 5.1 What kind of information would people with disability like to receive at these events? Would it be helpful to have presentations on particular topics (perhaps in a separate space to the stalls)?**
- 5.2 Do you have suggestions for exhibitors who could be invited?**
- 5.3 How can we best attract mainstream employers to these events? Do you have suggestions for disability confident employers that could be invited?**
- 5.4 What accessibility factors should be considered?**
- 5.5 How should these events be promoted?**
- 5.6 Where could these events be held (both which cities, and any suitable venues)?**
- 5.7 Would there be a benefit in holding one of the Expos online?**
- 5.8 What should be put in place to support people with a disability at the events and after?**
- 5.9 Do you have any suggestions for how these events can be designed to work well for different cohorts of people with disability including:**
- young people transitioning from school to work
 - First Nations people
 - LGBTQIA+
 - women and girls
 - culturally and linguistically diverse people
 - residents in regional and remote areas?



6. Disability Employment Advocacy and Information Supports for Supported Employees and their Families and Carers

40. \$11.7 million over four years has been allocated to establish a new disability employment advocacy and information program, which would run from early 2024 until 30 June 2027. This timing aligns with the transition period set by the FWC for supported employment services to implement the new Supported Employment Services Award (the Award).
41. The primary target audience for the program would be people with disability working in ADEs under the Award and their families and carers. If there is capacity, the program could also have a focus on other priority cohorts, which could include:
- young people with disability transitioning from school to work;
 - participants in community day programs who may be interested in starting to work; and
 - people working in open employment under the Supported Wage System.
42. The program would seek to work with supported employees and families to increase awareness and understanding of:
- employment rights, including how wages are calculated under the Award, how the Supported Wage System operates and the role of the Fair Work Ombudsman (FWO);
 - the employment support ecosystem, including how to manage changes to DSP, and how NDIS funding can be utilised; and
 - the various pathways to employment, including customised employment and self-employment.
43. Supports and services available through the program could include:
- case based advocacy support, where supported employees would have the opportunity to access short term, one-on-one assistance to solve a particular issue;
 - group based and individualised information and education sessions for supported employees;
 - group based sessions and events for families and carers, which could include information sessions, facilitated peer networks and individual mentoring/ leadership development; and
 - decision-making supports.

The overall goal is to increase supported employees' and families ability to exercise informed choice and control in their employment.

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44. Organisations eligible to apply for grants to deliver this program could include:
- National Disability Advocacy Program (NDAP) providers, including those who provide advocacy support to families; and
 - organisations established to support/represent people with intellectual disability (or other relevant cohorts).
45. The proposed program would leverage ongoing work under the new National Disability Advocacy Framework. It would also consider existing Commonwealth and State/Territory funded advocacy programs in the program design, to minimise risk of duplication of services and make the best use of the available resources.
46. The design of the program will need to take into account existing services, including those provided by the FWO. The role of the FWO is to:
- provide education, assistance, advice and guidance to employers, employees, outworkers, outworker entities and organisations;
 - promote and monitor compliance with workplace laws;
 - inquire into and investigate breaches of the Fair Work Act; and
 - take appropriate enforcement action.
47. The department will work with the FWO in designing this program, and the FWO will play a role in upskilling any successful grantees about workplace rights and the Award.

Questions

6.1 Do you have any feedback on the proposed approach?

6.2 How can this program be designed to meet the needs of different cohorts of people with disability including:

- **young people transitioning from school to work**
- **First Nations people**
- **LGBTQIA+**
- **women and girls**
- **culturally and linguistically diverse people**
- **residents in regional and remote areas?**



Appendix 1 - Guiding principles for the future of supported employment

Attendees at the October 2022 supported employment roundtable agreed to a set of guiding principles for the future of supported employment. At a high level, the principles are focussed on ensuring people with disability have genuine choice and control in their employment, and support which meets their individual needs.

Guiding principles for the future of supported employment

1. People with disability have genuine choice and control, which meets their individual needs
2. People with disability have real options for employment, and a range of support options available to meet their employment goals
3. There is an expansion in the number and variety of workplaces that employ people with disability
4. People with disability have support to make informed decisions about their employment options
5. People with disability have the right to equal remuneration and associated conditions for work of equal value
6. People with disability are supported to regularly review their employment options, pathways, goals and outcomes
7. People with disability have the opportunity to develop their career by learning new skills and undertaking training on an ongoing basis
8. NDIS participants and providers, including ADEs, are supported to make full use of NDIS employment support funding to achieve their employment goals
9. All systems work together to support options and choice for employment (e.g. Disability Support Pension, DES, NDIS)
10. Encourage all levels of government to support the supported employment sector to deliver on these principles
11. Seek wider community buy-in to support innovation, change attitudes and grow employment opportunities for people with high support needs
12. The human rights of people with disability are respected and treated with dignity and respect.