

Next Steps in Supported Employment

Promoting social and economic inclusion of people with disability

Brotherhood of St. Laurence
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Summary

The Brotherhood of St. Laurence (BSL) welcomes the opportunity to respond to the Department of Social Services' (DSS) consultation on Next Steps in Supported Employment. BSL welcomes this consultation and the resulting plan as further action on the recommendations in the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability Final Report.

Under the UN Convention on the Rights of Persons with Disability, all people with disability have the right to work on an equal basis with others, including in open employment. BSL notes that people with disability face disproportionate rates of poverty compared to non-disabled people. This submission focuses on question three from the DSS discussion paper²: **'What additional actions do**

Olney, Mills and Fallon 2022, *The Tier 2 tipping point: access to support for working-age Australians without individual NDIS funding*, Brotherhood of St. Laurence, Fitzroy, Vic.

Bishop, GM, Kavanagh, AM, Olney, S, Disney, G & Aitken, Z 2025, *A comparison of the characteristics of people with disability in Australia according to whether they received National Disability Insurance Scheme (NDIS) funding*, The University of Melbourne. DOI: 10.26188/28943084

Olney & Yates, forthcoming.

DSS 2025, <u>Next steps on Supported Employment</u>, discussion paper, Department of Social Services, Canberra.

you consider are necessary to increase employment of people with high support needs in open/inclusive settings?'.

BSL recommends action in three areas – education, employment and income support barriers. These recommendations recognise that improved employment outcomes for all people with disability and those with high support needs are both important and inter-related. In addition, the employment preferences and support needs of people with disability are diverse across a spectrum. BSL's recommendations below seek to be relevant to both supported employment and other settings.

Recommendation 1: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to disrupt the 'polished pathway' that people with disability experience.

Recommendation 2: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to reduce employer discrimination, increase coordination across the NDIS and the new Inclusive Employment Australia program, and implement employment programs that include features such as: job customisation, a mix of on-the-job training and work experience, workplace support and vocational support.

Recommendation 3: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include a long-term plan that is co-designed with the disability community and community organisations to maximise the transition of people with disability into open employment. This should include consideration of the role of social enterprise in supporting greater open employment.

Recommendation 4: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to address barriers to employment that arise from losing access to income support payments and concessions, partial capacity to work and expanded eligibility for the disability support pension (DSP).

1 The Brotherhood of St. Laurence and disability

The Brotherhood of St. Laurence (BSL) is a social justice organisation working towards an Australia free of poverty. Our purpose is to advance a fair Australia through our leadership on policy reform, our partnerships with communities and the quality of our services. Our approach is informed directly by people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

BSL has operated as a NDIS Partner in the Community (PITC) since 2016. We are contracted by the National Disability Insurance Agency (NDIA) to deliver Local Area Coordination (LAC) and the early childhood approach in Victoria across the North Eastern Melbourne, Hume/Merri-bek, Brimbank/Melton, Western Melbourne and Bayside Peninsula areas. This work includes building community capacity and inclusiveness through place-based projects. Additionally, BSL runs the National Collaboration of Employment and Disability (NCED), which builds the capability of the people who work within the employment, education and training systems to enable successful post-

school transitions into mainstream employment for young people with disability. The NCED does this through translating research and evidence into policy solutions and practical resources that build workforce capability across the youth, disability, employment, and education and training ecosystems.

2 Increasing employment opportunities for people with disability and promoting open employment

All people with disability have the right to work on an equal basis with others, including the right to the opportunity to gain a living by work freely chosen or accepted in a labour market, and a work environment that is open, inclusive and accessible to people with disability as enshrined in the United Nations Convention of Rights of Persons with Disabilities (UN CRPD).³ In Australia, this ambition has not yet been achieved. This is reflected in the gap in labour force participation between people with and without disability, high unemployment rates for people with disability, limited choice in employment opportunities and in the subminimum wages that some people with disability receive.

In 2022, there were 5.5 million people with disability in Australia – 21.4% of the total population.⁴ The number of people under the age of 65 years identifying as having a disability has grown, particularly between 2018 and 2022. Of the 2.7 million Australians of working age with disability in 2022 just over half (56.1%) were employed. Of these people with disability, fewer than 20% were deemed permanently unable to work and approximately two-thirds (62.5%) were assessed as having partial or limited capacity to work, described by government as experiencing 'employment restrictions because of their disability, such as restrictions around the type of job or number of hours they can work'.⁵ These numbers are even more stark when we look at the difference between NDIS participants and non-NDIS participants – 20% of NDIS participants are employed compared to 51% of non-NDIS participants – although this can be partially attributed to NDIS participants being more likely to be unable to work due to permanent disability with high support needs.⁶

In addition, approximately 16,000 people with disability are employed in Australian Disability Enterprises (ADEs) across Australia. NDIA data shows that participants with a primary disability of

³ OHCHR 2006, *Convention on the Rights of Persons with Disabilities*, United Nations Office of the High Commissioner, Geneva, Switzerland.

⁴ ABS 2024, *Disability, ageing and carers, Australia: summary of findings*. <u>Disability, Ageing and Carers, Australia: Summary of Findings, 2022 | Australian Bureau of Statistics</u>

⁵ ABS 2024, *Labour Force Australia December 2022*, unemployment rate data December 2012 to December 2022, Australian Bureau of Statistics, Canberra.

Bishop, GM, Kavanagh, AM, Olney, S, Disney, G & Aitken, Z 2025, A comparison of the characteristics of people with disability in Australia according to whether they received National Disability Insurance Scheme (NDIS) funding, The University of Melbourne. DOI: 10.26188/28943084

⁷ Inclusion Australia and People with Disability Australia 2022. *Wage equity and more choices in employment for people with an intellectual disability*, research review, Inclusion Australia, Nunawading, Vic.

intellectual disability or Down syndrome are the largest groups of NDIS participants working in ADEs.⁸ This is especially the case among NDIS participants aged 25 years and over – 67% of employed participants with a primary disability of intellectual disability and 69% of employment participants with Down syndrome, work in an ADE. In contrast, most employed participants with a primary disability of intellectual disability aged 15 to 25 years work in open employment (73%).⁹

Available Australian Bureau of Statistics data has also shown that:

- People with an intellectual disability were less likely to be employed full-time (12%) than people with other types of disabilities (32%) and the population without disability (55%).
- Around 34% of people with an intellectual disability found it difficult to change jobs or get a preferred job.
- About 38% of people with an intellectual disability felt they were restricted in the type of job they could get.¹⁰

In response to question three from the discussion paper: 'What additional actions do you consider are necessary to increase employment of people with high support needs in open/inclusive settings?', this submission makes recommendations for additional actions in three areas — education, employment and income support barriers. Recommended actions target addressing barriers for people with disability to gain accessible employment in the open market, particularly people with disability who have high support needs.

Education – disrupting the polished pathway

A critical issue identified in the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (the Royal Commission) is the 'polished pathway' from segregated education into employment systems, ¹¹ which begins early in life and negatively impacts people with disability across their life. ¹² As government continues to consider the supported employed recommendations from the Royal Commission, it is critical to recognise the role that inclusive education can play in providing real opportunities for young people with disability to engage in mainstream education. It

NDIA 2023, From ADEs to open employment research, prepared by L Smith, S Mancuso, B Gardner, M Bennett, A Goodall, National Disability Insurance Agency, Canberra.

⁹ NDIA 2023, *From ADEs to open employment research*, prepared by L Smith, S Mancuso, B Gardner, M Bennett, A Goodall, National Disability Insurance Agency, Canberra.

¹⁰ ABS 2014, <u>'Intellectual Disability Australia, 2012 – Employment'</u>, Australian Bureau of Statistics, Canberra.

McAlpine, C 2022, 'The Polished Pathway', speech to the NDIS Jobs and Skills Summit on 17 August 2022, Inclusion Australia.

¹² Catia Malaquias, All Means All – The Australian Alliance for Inclusive Education, *Submission in response to Education and learning issues paper*, 17 March 2020, ISS.001.00061, p 37.

will also be important that the school-to-work transition for people with disability is made more accessible and inclusive.

Through evaluations of the Ticket to Work program, and BSL's demonstration project Inclusive Pathways to Employment (IPE), we have identified several ways to disrupt the 'polished pathway' that government should adopt to promote more employment of people with disability in the open market:

- Provide appropriate resourcing to ensure mainstream education is inclusive and accessible for young people with disability.
- Support parental engagement in school-based career development and transition planning. This
 should include support to build parental expectations of their child's individualised
 employability and for them to understand the range of pathways available and steps to take,
 recognising the challenges of financial costs associated with disability and health and the need
 for access to income support and concessions that reduce those costs.
- Resource quality, school-based career education and development support that starts early and
 is developmentally appropriate. This should include career exploration activities and access to a
 range of real-world customised work experience and paid employment opportunities.
- Provide greater access to inclusive and accessible school-based apprenticeships and traineeships, with appropriate supports including coaching, training, job tailoring and network building.

Case study – the National Collaboration on Employment and Disability

Many young people with disability in Australia are not successfully transitioning from school to work, which has lifelong implications. They often transition to non-vocational options or supported employment with subminimum wages, and few move from these settings into open employment in the community.

BSL has been disrupting this pathway in its work through the National Collaboration on Employment and Disability (NCED). The NCED delivers multiple streams of work to innovate, test and tackle different facets of the problem of poor pathways to decent work. (www.NCED.org.au)

A NCED initiative, Ticket to Work, sought to increase the likelihood of young people with disability to secure ongoing employment by connecting young people with the world of work before they left school. Specific initiatives included support with vocational training, school-based apprenticeships, after-school work and work experience placements. Over half (55.3%) of the young people with disability who took part came from specialist schools or special education units in mainstream schools. Usually, these young people would transition into supported employment or day service settings (the 'polished pathway'). However, an evaluation of the program found that participants were twice as likely to find work in open employment, much more likely to participate in education

¹³ Crosbie J, Wilson E, Davis H & Campaign R 2024, *School to work transition for young people with disability, the current ecosystem, and the Ticket to Work Approach*, Centre for Social Impact, Hawthorn, Vic.

and training, and tended to be more socially independent. The collaborative place-based program was also found to be cost-effective.¹⁴

There is significant evidence to show what works when supporting young people with disability into open employment and the power of early intervention in increasing a person with disability's life options. ¹⁵ A BSL demonstration project, Inclusive Pathways to Employment (IPE) implemented evidence-based practice and trialled ways that mainstream youth employment services can support young people with disability to pursue their interests, aspirations and goals, and to be socially and economically included in their communities. IPE initiatives supporting young people with disability included personalised coaching, inclusive training, employer engagement and disability-focused network building.

The NCED and its partners has demonstrated that, through a coordinated approach, young people can thrive in open employment when connected to the world of work before they leave school. BSL is preparing an evaluation, scheduled for completion in late 2025.

Recommendation 1: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to disrupt the 'polished pathway' that people with disability experience.

Employment

BSL supports addressing barriers to employment for people with disability. Efforts to improve employment outcomes for people with disability must also address factors beyond labour supply and demand that keep people with disability on the margins of the labour market. These include:

- discrimination against people with disability in recruitment processes, including AI screening
- discrimination against people with disability that discourages them from disclosing disability either while applying for work or in the workplace after they are employed
- the lack of coordinated support for people with disability engaging with the NDIS and DES (to be replaced by Inclusive Employment Australia in late 2025). BSL notes the DSS NDIS/DES Pathways Pilot,¹⁷ conducted from December 2023 to March 2025 in the ACT, Greater Darwin and Eastern Melbourne, trialled how to improve this pathway for NDIS participants with capacity to work. Insights from this pilot should be made publicly available and any recommended actions considered when government designs reforms of supported employment
- limited jobs available for people with partial capacity to work.

¹⁴ SVA Consulting 2020, *Ticket to Work: valuation of key outcomes*, Social Ventures Australia.

¹⁵ Crosbie J, Wilson E, Davis H & Campaign R 2024, *School to work transition for young people with disability, the current ecosystem, and the Ticket to Work Approach*, Centre for Social Impact, Hawthorn, Vic.

¹⁶ Inclusive Pathways to Employment (IPE): Transforming Youth Disability Employment | NCED

DSS 2025, 'National Disability Insurance Scheme/Disability Employment Services Pathways Pilot', Department of Social Services, Canberra.

People with partial capacity to work face significant barriers to gaining employment.¹⁸ In 2022, 72.6% of people with disability who were unemployed and 76.4% of people with disability not in the labour force, had employment restrictions.¹⁹ Although there is limited data on numbers of people with employment restrictions in supported employment, the most recently available data shows that around 30% of people in supported employment worked full-time, with the average hours of work being 19.6 per week.²⁰

In addition, Inclusion Australia conducted a review into research on wage equity and creating choices in employment for people with disability. The review highlighted that features of effective programs include:

- a high level of job customisation
- a process of proactively seeking job opportunities
- on-the-job training mixed with work experience
- time unlimited support in the workplace
- employment brokers or vocational specialists who work across services.²¹

Recommendation 2: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to reduce employer discrimination, increase coordination across the NDIS and the new Inclusive Employment Australia program, and implement employment programs that include features such as: job customisation, a mix of on-the-job training and work experience, workplace support and vocational support.

Consistent with the rights of persons with disability to work on an equal basis with others, and fulfilling Australia's obligation under Article 27 of the UN CRPD, it is also important to create stepping stones to open employment, and employment options for people with disability who cannot easily transition from intermediate labour market programs to open employment. The roadmap for reforms to supported employment should also consider employment programs or

¹⁸ Olney & Yates, forthcoming.

ABS 2024, 'Disability, ageing and carers, Australia: summary of findings'. <u>Disability, Ageing and Carers, Australia: Summary of Findings, 2022 | Australian Bureau of Statistics</u>

Buckland, A, Dockery, M, Duncan, A, Sanchez Arenas, V, Sotirakopoulos, P, Twomey, C and Vu, L, 2024, 'Employment and disability in Australia: Improving employment outcomes for people with a disability', Bankwest Curtin Economics Centre, *Focus on the States*, No. 10, March 2024.

https://bcec.edu.au/assets/2024/03/BCEC-Employment- and- disability-in-Australia-2024-WEB.pdf

Wilson, E, Qian-Khoo, J, Cutroni, L, Campbell, P, Crosbie, J, & Kelly, J 2022, The ADE Snapshot: explaining the Evidence for Reform series, Centre for Social Impact, Hawthorn, Vic.
Impact Economics and Policy for Inclusion Australia 2022, Summary of supported worker wages transition model, Inclusion Australia, Nunawading, Vic.

²¹ Inclusion Australia and People with Disability Australia 2022. *Wage equity and more choices in employment for people with an intellectual disability*, Inclusion Australia, Nunawading, Vic.

opportunities through work integrated social enterprises²² and ADEs to support this priority. This environment needs coordinated stewardship, funding and measures of impact, and people with disability should be involved in all facets of reform.

As highlighted earlier in this submission, several actions can be taken to promote open employment for people with disability. However, specific focus is needed on how to transition people with disability from ADEs to open employment. According to the NDIA, since 2017 only 3.1% of NDIS participants aged 15 to 24 and 1% aged 25 years and older employed in an ADE transitioned to open employment. A long-term plan needs to be developed with the disability community and community organisations to maximise the transitions of people with disability from ADEs to open employment.

Recommendation 3: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include a long-term plan that is co-designed with the disability community and community organisations to maximise the transition of people with disability to open employment. This should include consideration of the role of social enterprise in supporting greater open employment.

Entrenched disadvantage and income support payments

People with disability also face socioeconomic factors and structural barriers in the income support system that hinder their ability to gain access to employment. In particular:

- socioeconomic disadvantage limits the ability for people with disability to live in locations where there are accessible transport options and employment opportunities
- people with disability who are only able to work part-time or episodically face hurdles moving in and out of income support and maintaining access to concessions to cover extra costs of living that people with disability incur, such as healthcare
- payments such as the DSP do not provide adequate support and coverage, and removing barriers and expanded eligibility is needed to better support those with disability.²⁴

Recommendation 4: BSL recommends that DSS's plan or roadmap for reforms to supported employment should include actions to address barriers to employment that arise from losing access to income support payments and concessions, partial capacity to work and expanded eligibility for the DSP.

 $^{^{22} \}quad The - \underline{Role-of-Work-Integration-Social-Enterprise-in-Employment-Services-Reforms-December-2024.pdf}$

Bowman, D, Porter, E & Kabare, M 2024, *Making ends meet: fostering security and dignity in tough times*, Brotherhood of St. Laurence, Fitzroy, Vic.

Bowman, D, Porter, E & Kabare, M 2024, *Making ends meet: fostering security and dignity in tough times*, Brotherhood of St. Laurence, Fitzroy, Vic.