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**Department of Social Services
Australian Government
Email: SEpolicy@dss.gov.au**

**SUBMISSION TO DISCUSSION PAPER: NEXT STEPS IN SUPPORTED EMPLOYMENT:
CONSULTATION ON THE WAY FORWARD**

Background

Good Sammy Enterprises (Good Sammy) welcomes the opportunity to provide feedback to the Department of Social Services (the Department) in response to its 'Next Steps on Supported Employment: consultation on the way forward' (the Discussion Paper).

We thank the Department for its ongoing leadership in disability employment reforms and ongoing commitment to the 16,000 people currently employed in Australian Disability Enterprises (ADEs).

Good Sammy has been providing employment services to people with disability since 1958 and currently employs over 400 people with disability which represent 50% of our workforce in Western Australia. Our people work and train within its social enterprises (in retail, e-commerce, logistics, warehousing, recycling and property care) and deliver critical products and services to 1.2 million Western Australian customers annually. Good Sammy also provides numerous licencing, certified traineeship and training programs to support people with disability towards their employment goals. This includes numerous Open employment programs.

Our correspondence to the Department on the Discussion Paper follows our:

- Attendance at the Government supported employment roundtable in 2022, as one of three Australian Disability Enterprises (ADEs) to develop a set of guiding principles.
- Participation in the Australian Human Rights Commission Includability Project, as one of two ADEs involved to design pathways to open employment for young people with intellectual disability; and
- Submission to the Department in September 2023 on '[Response to the Future of Supported Employment Discussion Paper](#)'.

In this letter, we outline our recommended 'way forward' and provide specific responses to the questions in the Discussion Paper.

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The Way Forward

- 1 million Australians with disability are not in employment.
- 10% is the unemployment rate for people with disability compared to 4% for people without disability.
- 20% is the unemployment rate for people with intellectual disability.
- Two thirds of NDIS participants of working age do not have employment funding.
- Australia's largest employers have workforces made up of less than 2% of people with disability.
- These are **the core issues** on the topic of disability employment.
- The 'way forward' must address the root cause of unemployment in this country, which are the barriers, discrimination and policy settings that prevent people with disability obtaining work.
- The 'way forward' must be to develop and implement policies that addresses these issues.
- Supported employment enables 16,000 people with disability in Australia to have a job. This cohort are some of the most vulnerable people in our country's workforces.
- Supported employers are a critical part of the employment ecosystem, and require greater support, to avoid job losses and provide increased opportunities to current and prospective employees.
- The phasing out of supported employment programs in the United States has resulted in underemployment and unemployment of impacted persons with disability, paired with significantly greater utilisation of community participation services.
- A similar outcome would likely occur in Australia if current policy settings that enable employment of these 16,000 people are removed.
- The combination of the supported wage and Disability Support Pension (DSP) are critical components to create employment opportunities. However, the DSP requires reform to better incentivise more hours to be more for higher pay.

Supported employers are downstream of the root causes of unemployment, as people with disability come to supported employers for employment when they can't find it elsewhere. And because many supported employers are known to operate accessible and inclusive workplaces and create work environments that build capability and capacity. If it was not for supported employers, it is unclear how many of the 16,000 people employed with them would find a job elsewhere. The loss of unemployment for people with high support needs would be catastrophic for those individuals and the participation of people with disability in the workforce, which is already at unacceptably low levels. We know that this cohort are often the first impacted in employment, especially in crises and economic downturns.

The way forward must manage the unintended consequences of changes to supported employment conditions. National Disability Services and the Endeavour Foundation jointly commissioned Taylor Fry in 2024 to conduct economic modelling of the support employment population. They reported that the Government's changes to supported employment wages may lead to a reduction in the supported employee workforce over five years of a 10 to 30 per cent reduction, mainly in employees with the highest support needs. Taylor Fry proposed a wage offset option and a social wage policy option, both of which should be examined further by the Department.

The way forward must also address the disincentives to work that are created by the current operation of the DSP, which forces people to live below the poverty line. The way to address them has already been set out in the 2022 Senate Inquiry titled 'Purpose, intent and adequacy of the Disability Support Pension'. That Inquiry recommended that the Australian Government consider reforming the income test for recipients of the DSP to better support individuals facing structural barriers to participating in the workforce, and to better recognise the fluctuating nature of a person's ability to participate in paid employment due to their impairment. That Inquiry envisaged that such reforms could, amongst other things, raise the income thresholds at which the DSP payment is reduced, and lower the rate which it is reduced once this threshold is reached.

Above all, the way forward must commit to growing the numbers of jobs for people with disability, especially those people with high-support needs.



Kane Blackman
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Good Sammy Enterprises

Responses to specific Discussion Paper Questions

1. Is there any other existing work that is missing from the Table at Appendix 3?

Yes.

In 7.17, it is not Disability Employment Services staff alone that require education and training resources, it is all Australian employers, given the low proportion of people with disability in those workplaces. An additional action is required to address a broader employer pool to receive access to education and training.

In 7.23, the Western Australian Government's Department of Finance undertook policy work in 2024 to review its disability social procurement policy to identify opportunities to boost employment of people with disability via Government procurement of goods and services.

In 7.29, the NDIA made a commitment for all participants approaching or at working age to have an employment goal and funding supports to adopt a 'work-first' mentality.

In 7.30, there has been no financial support provided to supported employers to ensure their ability to meet the 52% increase in the supported wage over three years during the implementation of the Fair Work Commission reform. The unintended job-loss consequences of that have been highlighted in National Disability Services and the Endeavour Foundation jointly commissioned Taylor Fry Report of 2024.

Furthermore, there is no reference to the Government Job Access program that enables employers to seek support via the Employment Assistance Fund to cover the cost of workplace modifications and services that promote the inclusion of people with disability in the workplace.

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

For all 1,000,000 Australians with disability who want work, to be able to get work.

For no loss of employment for a person with disability with high support needs.

For the supported employment sector to continue operating so that the 16,000 people with disability employed in that sector have continued employment.

For the supported employment sector to receive more financial support from Government to ensure its sustainability to allow continuation of employment for current employees and servicing new employees which currently remain on long wait lists.

For employees in the supported employment sector to receive access to the training and development supports they need to reach their employment goals.

For employees in the supported employment sector to have the opportunity to seek and obtain employment opportunities in open employment (noting that this requires the open employment sector to employ people with disability at higher rates than currently).

For employees with disability to not face perverse incentives to work more hours or at a higher rate due to the current operation of the Disability Support Pension.

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

This has been covered extensively in the past in numerous Commonwealth Inquiries, the Royal Commission in its Disability Report, and by the Productivity Commission.

Good Sammy has proposed additional actions, which are listed in its submission to the Department in September 2023 on '[Response to the Future of Supported Employment Discussion Paper](#)'. Many such initiatives are also well articulated by the Chamber of Commerce and Industry WA in its [Tapping the Talent Pool of People with Disabilities Report in 2023](#).

For the purposes of this response, the following additional actions of Government are necessary but not yet taken:

Policy Reform

- Reform the Disability Support Pension so it does not disincentivise working more hours or at a higher rate. It currently acts as a poverty trap.
- Introduce a public reporting program for employers above a certain size to report the number of people who have disclosed they have with disability.
- Introduce a fast-track pathway within the Job Access Program to enable employers to quickly access funding for adjustments within the Employment Assistance Fund.

Financial Support

- Provide supported employers with financial support so they can sustainability meet the costs of the 52% increase in the supported wage that has occurred over the three-years leading up to 30 June 2026, so that jobs are not lost.
- Provide supported employers with financial support so they provide more employment opportunities for people with disability with high support needs.
- Provide Australian Disability Enterprises with financial support to identify open employment goals of their employees, provide training for open-employment readiness and achieve open employment transitions.

National Disability Insurance Scheme (NDIS)

- Provide NDIS participants at or approaching working age with funded employment supports.
- Introduce an employment-first philosophy into the NDIS which encourages people with disability to set and strive for employment goals. This was highlighted by the Productivity Commission in its 2011 Report as one of the main economic and societal benefits of introducing the NDIS.
- Increase the employment support billable rate in the NDIS so it is greater than the social rate of support to drive greater focus on employment activities for working-age participants rather than community support.
- Introduce a fast-track pathway within the NDIS for additional employment funding supports when a participants get a job or gets the opportunity to extend their hours.
- Review apprenticeship, traineeship and certified training programs to remove barriers for entry and participation.

The proposed changes to the NDIS should be not interpreted as additional cost, as there are clear Return on Investment metrics that have previously been reported to the Government in the 2011 Productivity Commission Report. Increased employment participation increases financial independence and reduces reliance on Government service delivery and associated costs.

It should also be noted that Australia's largest employers are State, Territory and Commonwealth Government Departments. These employers do not employ people with disability at a proportion that represents the communities they serve or at or above the targets set by that Government. While additional actions need to be taken to achieve greater open employment numbers, implementing current policy initiatives and simply just recruiting talented people with disability will achieve the same.

Lastly, with the changes being made to the Disability Employment Service provider regime, there is an opportunity for new specialist employment providers to work more closely with supported employers to identify candidates seeking open employment opportunities. Having greater collaboration between DES providers and ADEs is desirable.

4. 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?

The actions to be pursued by Government to achieve the items are listed in Response 4 of this Submission.

The plan should include a commitment to grow the numbers of employment opportunities for people with disability with high needs, which includes no job losses for those people that want to continue to work.

The plan should recognise that the supported employment sector has existed to provide employment opportunities for people with high needs as the non-supported employment sector has failed to employ them. The core employment issue in Australia is upstream of supported employers (i.e. it is the actions of open employers) and supported employers have long acted as a provider of last resort. The Commonwealth should ensure such providers of a last resort service are sustainability supported to meet the demand.

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

Financial support to supported employers.

The Government has already introduced supported wage reform which is estimated to result in a 10 per cent to 30 per cent reduction in that workforce within five years, as Taylor Fry has reported. That reform has not been accompanied with financial support to supported employers to meet the increased wage costs. It is no surprise therefore to see job losses occurring already, to see wait-lists of people wanting employment to not be serviced, and that supported employers are closing.

The Government provided financial support to the aged care sector when new wage increases were introduced, but it has not done so for the disability sector.

To simplify the issue: the Government is increasing the cost base of supported employers through higher wages and is not providing additional revenue to employers to meet the costs and, as a result, people are and will continue to lose their jobs as those employers can no longer sustainably retain the employment of all those people. And because the open employment sector does not employ people with disability at the required rates or people with high-needs disability in general, those people are being regulated to accessing the community only and not employment. This has played out in the United States and will now occur in Australia.

- a. Are there examples that currently exist that can be leveraged?**
- b. Are there new approaches that could be tested?**

Examples and new approaches have been provided in Response 4.

6. Do you see a role for workplaces which provide specialised employment opportunities for people with disability in the future?

Yes. Without them, there will be limited opportunities for people with disability, and especially people with disability with high support needs. This has already been seen in the United States in multiple States when such workplaces have been removed.

Currently, the unemployment rate for people with disability is 10% compared to 4% for people without disability, and 20% for people with intellectual disability. The supported employment sector provides jobs for 16,000 people with disability with high needs. If those workplaces did not exist, those 16,000 people would not be in employment. Given the unemployment statistics currently, a large proportion of that cohort would not find employment given the current settings.

a. If so, what should these workplaces look like?

All Australian workplaces should be able to provide specialised employment opportunities, not just supported employment workplaces. This way, there is a greater likelihood of increasing employment.

The employers of people in those workplaces require access to funding to encourage and support the employment of people with disability with high support needs.

With respect to Australian Disability Enterprises workplaces, those workplaces look like Social Enterprise workplaces.

7. How could the benefits of supported employment settings be reflected in open employment settings?

By providing funding to supported employers to work with open employers to support the readiness and transitions of people to those settings.

By providing assistance to employers to meet the support needs of people with disability in those workplaces.