

Supported Employment for People with High and Complex Needs in Australia



EXECUTIVE SUMMARY

Purpose

This paper examines the employment situation of approximately 16,000 Australians with disability, most with intellectual disability and high or complex support needs, who work, or have worked, in Australian Disability Enterprise (ADE) settings or the organisations that have since evolved from them. It considers what the Royal Commission's findings mean for this specific cohort, what domestic and international evidence shows about programs that work, and what realistic reform of the Inclusive Employment Australia (IEA) program and NDIS supports might look like. The paper does not re-litigate the broader disability employment debate. It asks a targeted question: *what would need to change, in programs, funding, and system design, to give this cohort genuinely better options, including for those who would choose to remain in high-quality supported settings if those were properly resourced and regulated?*

Key Findings

The Cohort and Its Visibility

- Since the ADE Services program formally ceased in March 2021, many former ADE organisations have rebranded as social enterprises, business enterprises, or retained the ADE label, but without any consistent national reporting framework. Only 43% of providers still clearly identified as ADEs by 2022.
- The cessation of the Disability Services National Minimum Data Set in 2019 removed the last dedicated national collection tracking wages, hours, transition rates, and participant characteristics across this sector. The National Disability Data Asset (NDDA), which became available to researchers in December 2024, holds linked administrative data relevant to this cohort, including NDIS participant records, Disability Support Pension data (DSP), and Business Services Wage Assessment Tool (BSWAT) payment records, but does not yet produce sector-specific outcome reporting on the former ADE or social enterprise workforce. There is currently no approved research completing this analysis. One partial exception is the NDIS Specialist Disability Accommodation (SDA) demand data, published quarterly by the NDIA: as at December 2024, 24,522 NDIS participants had an identified SDA need (14,688 using SDA; 9,834 eligible but not yet housed), with state, territory, and SA3-level breakdowns available. SDA participants – defined by extreme functional impairment or very high support needs – are the segment of the NDIS population most likely to overlap with the ADE cohort. Their employment status is not captured in this data, but their scale and geographic distribution is, and it has not been linked to employment reporting. Accordingly, it remains impossible to assess with confidence whether the wave of social enterprise rebranding has changed outcomes for supported employees. The cohort may be less visible today than a decade ago, despite being no less deserving of attention.
- Transition to open employment remains rare: NDIA data shows only 3.1% of ADE-supported employees aged 15–24, and 1% of those aged 25 and over, transitioned to open employment between 2017 and 2024. Yet once people do transition, many appear to stay, suggesting that structural and system-level barriers play a significant role in successful transitions, alongside

participant, family, and support complexity factors including the severity of support needs and geographic isolation.

Policy and System Context

- The Royal Commission documented serious harm, including workers paid as little as \$2.37/hour, and the trajectory from segregated schooling into supported employment without genuine alternatives. Four of six Commissioners recommended phasing out ADEs by 2034; the Chair and one Commissioner disagreed, arguing that freely chosen supported employment is not inherently harmful. All six agreed on the need for fair wages, genuine choice, and improved pathways.
- Critically, NESA's research paper suggests that the key policy question is not simply whether supported employment settings should continue, but what conditions are required for participation to reflect genuine, free, and informed choice. The current system, where information is limited, alternatives are underdeveloped, and transition risks are largely unmitigated, does not yet meet that standard.
- The Australian Government's July 2024 response to the Royal Commission committed \$52.7 million to the sector, replaced DES with IEA from November 2025, and placed the 2034 phase-out recommendation under further consideration. The findings of a 2025 DSS public consultation on the future of supported employment are still to be released.
- A 2020 NDIS pricing reform designed to increase flexibility for supported employees did not significantly predict increased transitions to open employment, indicating that funding flexibility alone, without parallel changes to information, advocacy, and available alternatives, is insufficient to shift outcomes.
- Two further persistent structural problems remain unresolved: the coordination gap between NDIS and IEA (two systems with different funding logic and accountability frameworks, expected to complement each other in practice without being designed to do so), and the Disability Support Pension (DSP) interaction, where fear of losing DSP and administrative complexity around suspension and reinstatement are consistently documented as significant barriers.

Human and Social Dimensions

- Family influence is a significant factor in transition decisions. Concerns about safety, social isolation, routine disruption, and DSP loss are legitimate and well-documented. Family involvement, when actively engaged and well-informed, is also strongly associated with successful transitions.
- For many people in ADE settings, workplace social relationships are a primary source of meaning and belonging. The social cost of leaving, losing established friendships, disrupting routine, rebuilding connections in a new environment, is a rational and documented barrier, distinct from financial concerns. Reform must actively plan to protect social wellbeing during transition, not assume employment placement equates to a successful outcome.
- The absence of clear re-entry pathways when open employment attempts break down is itself a structural barrier. Where transition is perceived as irreversible, the rational response for many families is to stay. No managed re-entry protocol currently exists in policy or program design, and NDIA research appears to be silent on re-entry.

What Works: International and Domestic Evidence

- Project SEARCH suggests the strongest evidence base for this cohort among internship-based transition programs, achieving competitive employment rates of 46–67% for graduates, compared with 12–17% for control groups in randomised trials. It has been piloted in Australia

but not taken to national scale. Outcomes vary across sites, with higher fidelity to the model and stronger local labour market conditions associated with better results.

- Customised Employment (CE), with its intensive Discovery process and individually negotiated roles, has demonstrated effectiveness for people with intellectual disability and high support needs in a randomised controlled trial. However, it remains time-intensive and requires a trained specialist workforce not yet available at scale in Australia. Current NDIS pricing does not currently adequately fund the Discovery phase.
- Jobsupport, a domestic specialist provider operating in Sydney, Melbourne and Brisbane, recorded 52-week retention rates of 95.9–100% for participants with intellectual disability under the former DES program, against a national provider average of 28.6%. Its model warrants consideration for replication or piloting, particularly whether it can be sustained in regional and remote labour markets.
- A 2025 systematic review found that effective programs for young people with intellectual disability consistently feature: early career planning from secondary school; direct work exposure in real workplaces; post-secondary education opportunities; and on-the-job training with fading support. Classroom-only pre-vocational training appears to have limited effectiveness as a route to employment for this cohort.

Implications for the Sector

- *Providers:* IEA’s design improvements, removal of the two-year time limit, introduction of an intensive service stream, expanded eligibility, are meaningful, noting that IEA has been operating for just over six months at the time this paper was prepared and implementation outcomes remain untested. Whether the payment structure adequately accounts for the substantially higher resource investment that complex-needs participants require is yet to be established. Providers working intensively with this cohort face an inherent tension if outcome payments do not meaningfully differentiate by participant complexity.
- *Participants and families:* Genuine choice requires not just information but real alternatives. The \$9.8 million advocacy and information program is a starting point, but information is only meaningful when options genuinely exist. Investment in alternatives, Project SEARCH, CE, quality social enterprise with built-in progression pathways, are potential options for supporting transformation of information into real choice.
- *Government and commissioning:* Implementation of key Royal Commission employment recommendations remains at an early stage. Publicly reported IEA performance data would benefit by being disaggregated by support needs level if government and the sector are to assess whether design improvements are reaching those, they were most intended to serve.
- *Data infrastructure:* The absence of sector-specific outcome reporting on this cohort is a first-order policy problem. The National Disability Data Asset (NDDA), which launched in December 2024 and holds linked administrative data including NDIS, DSP, and BSWAT payment records, is the national data infrastructure for this work, but has not yet produced the analysis needed. The risk that social enterprise rebranding has simply replicated ADE conditions under a different name cannot currently be assessed. This is not a reason to dismiss the social enterprise model; it is a reason to treat the data gap as requiring direct policy action, including accelerating the NDDA’s employment outcomes work for this cohort specifically.
- *Cost and investment:* High-quality supported employment for people with high support needs is not cheap. The relevant comparison is not with a low-cost alternative, but between the current system’s combination of low wages, low transitions, and modest costs, and a reformed system that invests more per person to achieve genuinely better outcomes.

Recommendations and Options

1. Scale Project SEARCH nationally

Co-fund a national Project SEARCH rollout through DSS and the NDIA, with IEA provider involvement. The model has one of the strongest evidence bases available for this cohort and is compatible with IEA's intensive tier without requiring new program architecture, subject to implementation quality and local labour market conditions.

2. Recognise and price Customised Employment within NDIS and IEA

Price the Discovery process as a distinct NDIS support item. Recognise CE as a separately funded methodology within IEA's intensive tier, with performance milestones calibrated to the Discovery timeline. Use the Centre for Inclusive Employment to support a national CE-qualified workforce.

3. Reform SLES toward workplace-based preparation

Redesign School Leaver Employment Supports (SLES) around structured, real-workplace exposure, consistent with the systematic evidence base. Employment goals should be introduced in NDIS planning conversations during secondary school. Consider whether SLES should be offered on an opt-out rather than opt-in basis for participants with high support needs aged 24 and under, with careful design to preserve genuine participant and family choice.

4. Build transition safeguards into system design

Introduce clear re-entry pathways to supported employment that do not require full re-assessment. Fund hybrid and staged transition arrangements as a legitimate, supported option. Ensure continuity of NDIS employment supports across transition attempts. These safeguards should be designed, documented, and communicated to participants and families before any transition begins, not left to address until after a placement has broken down.

5. Simplify the DSP interaction

Simplify the suspension and reinstatement rules for DSP, not merely improve information about existing rules. The current primary constraint is complexity, and simplification of the rules themselves would be a more effective intervention than information campaigns alone.

6. Pursue staged wage reform with accompanying subsidies

Advance Recommendation 7.31, lifting wages toward 50% of the minimum wage as a first step, with government subsidies offsetting increased employer costs, through staged implementation with transparent milestones, independent review, provider viability monitoring, and independent worker advocacy during any restructuring. The staged, subsidised approach is necessary, not optional, given documented job-loss risks identified in Royal Commission modelling.

7. Activate the NDDA for this cohort and require sector-level data reporting

Commission analysis through the National Disability Data Asset (NDDA) of NDIS and DOMINO administrative data to produce outcome reporting on former ADE workers across organisational forms, the most direct available step toward closing the current data gap. As a practical starting point, the NDIA's existing SDA demand data – already published quarterly at SA3 level – should be cross-referenced with employment data to identify the size and location of the SDA-resident cohort currently outside employment pathways entirely. Concurrently, make public funding flowing to former ADE organisations, regardless of how they now identify, conditional on published transition data, wage data, and enforced quality standards. The absence of sector-specific outcome reporting in this area is a policy failure; the NDDA provides the infrastructure to begin addressing it, but that work must be actively commissioned and prioritised.

8. Create a joint NDIS–IEA planning mechanism

Establish a shared employment goal agreed at plan review and accessible to Local Area Coordinators, support coordinators, and IEA providers. This does not require legislative change, it requires funded coordination infrastructure and a shared outcome framework to which both systems are accountable.

Conclusion

The approximately 16,000 Australians with intellectual disability and high support needs engaged in or connected to supported employment represent one of the most underserved cohorts in Australia’s disability employment system. The central policy challenge is not simply whether supported employment settings should continue to exist, but what conditions are required to make participation in any employment setting, supported or open, the product of genuine, free, and informed choice. At present, those conditions do not fully exist. Information is limited, alternatives are underdeveloped, transition risks are unmitigated, and sector-specific outcome data on this cohort is not yet available, notwithstanding the launch of the National Disability Data Asset in December 2024 as the national linked data infrastructure for this purpose. The reforms outlined here are not speculative: they draw on existing evidence, existing Australian pilots, and existing program architecture. What they require is deliberate investment, clear accountability, and a commitment to building genuine alternatives before removing those that, however imperfect, currently serve as the primary source of employment and social connection for this cohort. The next Royal Commission progress report is expected in November 2026, a reasonable horizon against which to assess whether the evidence-based reform directions established by the Commission are beginning to translate into material change.

This executive summary was prepared by the National Employment Services Association (NESA) | www.nesa.com.au |

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