

Abstract

Australia's supported employment debate often frames the challenge in broad terms, the employment gap, the rights agenda, the future of the NDIS. This paper focuses on a specific group of people: the approximately 16,000 people with disability, most with intellectual disability and high or complex support needs, many of whom work, or have worked, in Australian Disability Enterprise (ADE) settings or the organisations that have since evolved from them, organisations that may now carry a different name but serve the same cohort. It examines what the Royal Commission's findings mean specifically for this group, what international and domestic evidence suggests about programs that work, and what realistic reform of the Inclusive Employment Australia (IEA) program and NDIS supports might look like to genuinely expand options, including for those who would choose to remain in high-quality supported settings if those were properly resourced and regulated.

1. The people this paper is focused on

Australia's ADE sector is often discussed as part of the general conversation about disability employment, but it represents a distinct and particularly underserved group of people.¹ At the time of the Royal Commission's Final Report, ADEs across Australia were providing supported employment to around 16,000 people with disability, the majority of whom have an intellectual disability, and many of whom have high or complex support needs.² These are people largely educated in segregated school settings, who frequently spent years, sometimes decades, in a single employment setting, and for whom transition to open employment has (in the past) proven exceptionally rare.

Even “the ADE cohort” is itself a label that has become increasingly unstable. The Australian Disability Enterprise Services program formally ceased as a Commonwealth-funded program on 31 March 2021.³ Since that time, former ADE organisations have moved in different directions: some have

¹ See for example: Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, Public Hearing 22 (April 2022); Joyce, A. et al. (2025). *Organisational and policy barriers to transitioning from supported into open employment for people with an intellectual disability*. *Journal of Intellectual & Developmental Disability*, 50(1), 95-105; Smith, P. et al. (2019). *Transitioning Australian Disability Enterprises to open employment community hubs*. *Journal of Vocational Rehabilitation*, 50(3), 263-271.

² The Disability Services National Minimum Data Set ceased in 2019, and since the formal cessation of the Australian Disability Enterprise Services program on 31 March 2021, organisations have rebranded variously as social enterprises, business enterprises, or retained the ADE label without any common national reporting framework tracking the supported employees within them. The National Disability Data Asset (NDDA), which became available to researchers in December 2024, is the primary national data infrastructure holding linked individual-level data relevant to this cohort, including NDIS participant data, Disability Support Pension records, and Business Services Wage Assessment Tool payment records via the DOMINO dataset (see ndda.gov.au). However, the NDDA does not yet produce sector-specific outcome reporting on the former ADE workforce (wages, hours, transition rates by organisation type), and no approved research projects using it had been completed as of mid-2025. The BuyAbility directory (maintained by National Disability Services) remains the most practical organisational-level list of former ADE outlets, but captures organisational data only, not worker-level outcomes. See Inclusion Australia / Centre for Social Impact Swinburne (2023). *The ADE Snapshot*. Inclusion Australia. inclusionaustralia.org.au. See also Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2023). *Final Report, Volume 7: Inclusive Education, Employment and Housing*, Australian Government; National Disability Insurance Agency (2024). *From ADEs to Open Employment Research*. Evidence and Practice Leadership Branch. NDIA, Canberra. <https://dataresearch.ndis.gov.au/research-and-evaluation/market-stewardship-and-employment/ade-open-employment>

³ Productivity Commission (2021). *Report on Government Services 2021. Part F, Section 15: Services for people with disability*. Productivity Commission, Melbourne. URL: <https://www.pc.gov.au/ongoing/report-on-government-services/2021/data-downloads/>

sought formal certification as Social Enterprises under the Social Traders framework, others have adopted the social enterprise identity without certification, and others have rebranded as “business enterprises” or similar nomenclature.⁴ As of 2022, 110 of 477 former ADE outlets had become certified social enterprises, while only 43% of ADE providers still clearly identified as ADEs.⁵ Therefore the approximate 16,000 supported employees this paper is principally concerned with have not moved with any less need for support; they have simply moved into organisational forms that are harder to track, compare, or hold to account.

This matters because the systematic national data infrastructure that previously tracked this cohort has not been replaced on a like-for-like basis. The Disability Services National Minimum Data Set (DS NMDS) ceased in 2019, ending the last dedicated national reporting on supported employment workers. Since December 2024, the National Disability Data Asset (NDDA), a linked, de-identified administrative dataset established as a national replacement data infrastructure under the Department of Health, Disability and Ageing, has been available to approved researchers. The NDDA incorporates NDIS participant data, Centrelink payment records via the DOMINO dataset (including the Disability Support Pension and Business Services Wage Assessment Tool payment scheme payments directly linked to former ADE workers), the 2022 Survey of Disability, Ageing and Carers, and Medicare Benefits Schedule data. However, the NDDA does not yet replicate the DS NMDS’s worker-level reporting on wages, hours, or transition rates within the supported employment sector specifically, and as of mid-2025 no approved research projects had been completed using the asset.⁶

One partial exception to this data gap is the NDIS Specialist Disability Accommodation (SDA) demand data, published quarterly by the NDIA and available at the SA3 geographic level. As at 31 December 2024, 24,522 NDIS participants had an identified SDA need, of whom 14,688 were using SDA funding and 9,834 were eligible but not yet using it. The SDA cohort is defined by extreme functional impairment or very high support needs, a significant subset of which overlaps with people who have intellectual disability and complex support needs. The SDA demand data identifies the design categories participants are funded for: nationally, Improved Liveability (27%) and Fully Accessible (22%) are the most common, with High Physical Support at 19% and Robust at 6%. While SDA demand data does not track employment status, wages, or transitions, it does provide the most regularly updated, geographically granular picture currently available of the housing and support profile of NDIS participants with extreme functional impairment, the population most likely to intersect with the ADE cohort. The absence of any cross-referencing between SDA demand data and employment data in current NDIS reporting represents a missed analytical opportunity: where a person is living and the intensity of support their accommodation requires are directly relevant to what employment options are realistic and what supports are needed to make them possible.⁷

Beyond this, what data exists on this cohort is partial and fragmented across NDIS administrative datasets, the NDDA (which holds linked individual-level data but does not yet produce sector-specific outcome reporting for this cohort), the BuyAbility directory, and periodic sector surveys. As researchers have observed, “*in this changing landscape, it is difficult to distinguish these*

⁴ Wilson, E., Qian-Khoo, J., Cutroni, L., Campbell, P., Crosbie, J., & Kelly, J. (2022). The ADE Snapshot, Explaining the Evidence for Reform Series. Hawthorn: Centre for Social Impact.

⁵ Ibid., p14.

⁶ Ibid., p2.

⁷ National Disability Insurance Agency (2025). Specialist Disability Accommodation Report May 2025. NDIA, Canberra. Data as at 31 December 2024. Available at: <https://dataresearch.ndis.gov.au/reports-and-analyses/specialist-disability-accommodation-sda-data>. See also NDIS SDA Demand Data tool: <https://www.ndis.gov.au/providers/home-and-living-providers/specialist-disability-accommodation-sda-tools/what-specialist-disability-accommodation-sda-demand-data>

*organisational types and identify those included in what was formerly the ADE sector.”*⁸ In this sense, the cohort addressed by this paper may now be even less visible within the system than they were a decade ago, despite being no less deserving of policy attention. Therefore, this paper uses the term “ADE cohort” as shorthand for people who were in, or remain in, supported employment within what was formerly the ADE sector, regardless of what the employing organisation now calls itself.

The data on transition remains sobering. In 2024, the NDIA reported that since 2017, only 3.1% of ADE-supported employees aged 15–24 and just 1% of those aged 25 and over have transitioned to open employment.⁹ Yet the same research found that once people do make this transition, many appear to remain in open employment.¹⁰ This suggests that structural and system-level barriers, inadequate pathways, insufficient information, and misaligned incentives, are likely to play a significant role. Other contributing factors, including family concerns, severity of support needs, and geographic isolation, also matter and complicate the picture. But the weight of the evidence suggests this is a policy and systems problem, not simply an individual one.

This paper does not attempt to cover the full disability employment system. It asks: **what would need to change, in programs, in funding, and in how the NDIS and IEA interact, to give this specific cohort genuinely better options?** It draws on the Royal Commission's findings and the Australian Government's response, the NDIA's own 2024 research on ADE transitions, and international evidence for approaches designed specifically for people with intellectual disability and high support needs.

2. The Australian Policy Context

2.1 The ADE Model and Its Documented Problems

ADEs operate under the Supported Wage System (SWS), which permits wages to be set below the minimum wage using a productivity-based assessment tool. Evidence before the Royal Commission documented cases of workers being paid as little as \$2.37/hour,¹¹ with \$3.12/hour reflecting the current minimum trial period rate under the Supported Employment Services Award as at 1 July 2025.¹² These wages represent extreme examples, but ones that illustrate how far below community wage standards the system can reach. All six commissioners recommended that wages be lifted to at least 50% of the minimum wage as a first step, with a pathway to 100% by 2034.¹³

The funding for this cohort shifted in 2021 when the Commonwealth's block-funded Disability Employment Assistance program ceased, with funding moving into individual NDIS participant plans. Concurrently, the Australian Disability Enterprise Services program formally ceased on 31 March 2021, enabling ADE organisations to operate under entirely new names and models. Many have since rebranded as social enterprises, some with formal Social Traders certification, others informally,

⁸ Ibid., p6.

⁹ NDIA (2024). From ADEs to Open Employment Research. Evidence and Practice Leadership Branch. NDIA, Canberra. Figures measured through the NDIS short form outcomes questionnaire.

¹⁰ Ibid. The NDIA's analysis found that once participants transitioned to open employment, many appeared to remain in ongoing open employment over the observed period.

¹¹ Royal Commission Media Release (11 April 2022). People with Disability Paid as Low as \$2.37 per Hour in Australian Disability Enterprises. www.disability.royalcommission.gov.au/news-and-media

¹² See Fair Work Ombudsman, Supported Employment Services Award Pay Rates. Available at:

<https://www.fairwork.gov.au/pay-and-wages/minimum-wages/supported-employment-services-award-pay-rates>

¹³ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2023). Final Report, Volume 7, Recommendation 7.31. The recommendation was made unanimously by all six commissioners. It called for a scheme ensuring supported employees are paid at least 50% of the minimum wage, with government subsidies to offset employer costs, and a review leading to a pathway to 100% by 2034.

while others have adopted terms such as “business enterprises”.¹⁴ This rebranding wave has not, however, been accompanied by any new national data infrastructure to track the cohort of supported employees within these evolving organisations. ADEs that wished to continue operating became NDIS-registered providers. This structural shift did not, however, shift outcomes. Notably, a 2020 pricing reform specifically designed to give NDIS participants greater flexibility in how they used employment supports did not significantly predict an increase in transitions to open employment.¹⁵ Flexibility in funding, without corresponding changes to information, advocacy, and the quality of available alternatives, appears to be insufficient to change behaviour in this market.

2.2 The Royal Commission: Two Legitimate Positions

Four of the Royal Commission’s six commissioners, Commissioners Bennett, Galbally, Mason and McEwin, recommended that ADEs be phased out by 2034 through a National Inclusive Employment Roadmap.¹⁶ The reasoning was grounded in documented harm: the evidence that participants were directed into ADEs from school without being offered real alternatives,¹⁷ that wages were far below community standards,¹⁸ and that the trajectory from segregated education to segregated employment is a documented and predictable pathway.¹⁹

The Commission's Chair and Commissioner Ryan took a different position on the phase-out specifically. They held that Article 27 of the Convention on the Rights of Persons with Disabilities does not preclude a person with disability from making a free and informed choice to work in a setting exclusively for people with disability, and that such workplaces are not inherently harmful.²⁰ Reading both sets of recommendations together, a significant area of common ground emerges: all Commissioners support expanded genuine choice, fair wages, improved information, better transition pathways, and the active involvement of people with disability in decisions about their own employment.²¹ The disagreement concerns whether the ADE model has a continuing role where there is free and informed choice, a question that is, as this paper suggests, in practice inseparable from whether genuine choice can actually be exercised in the current system.

2.3 Where Things Stand: Government Response and Implementation

The Australian Government's July 2024 response accepted the majority of Royal Commission recommendations in principle, committed \$52.7 million to strengthen the supported employment

¹⁴ Op cit., Wilson, p2

¹⁵National Disability Insurance Agency (2023/2024). From ADEs to Open Employment Research, op. cit. The statistical analysis (Appendix B–C) found that the July 2020 pricing structure change for Supports in Employment, specifically designed to increase flexibility, did not significantly predict increased transitions to open employment, suggesting that funding flexibility alone is insufficient without parallel changes to information, support, and advocacy.

¹⁶Royal Commission Final Report, Vol. 7, Recommendations 7.30 and 7.32 (2023). Commissioners Bennett, Galbally, Mason and McEwin recommended that ADEs be phased out entirely by 2034 through a National Inclusive Employment Roadmap. Chair Sackville and Commissioner Ryan did not support the phase-out recommendation.

¹⁷ Ibid., See also Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2022). *Public Hearing 22: The Experience of People with Disability Working in Australian Disability Enterprises*, Transcripts and Submissions (11–13 April 2022). Commonwealth of Australia. <https://disability.royalcommission.gov.au/>

¹⁸ Ibid., see also Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2022). *Public Hearing 22, Day 1 Transcript* (11 April 2022). Commonwealth of Australia. Available at <https://disability.royalcommission.gov.au/>

¹⁹ Ibid., see also Children and Young People with Disability Australia (CYDA) (2023). *Five Myths About Ending Segregated Education in Australia*. CYDA, Canberra. Available at <https://cyda.org.au/>

²⁰Royal Commission Final Report, Vol. 7 (2023). The Chair and Commissioner Ryan observed that Article 27 of the CRPD does not preclude a person with disability from making a free and informed choice to work in a workplace exclusively for people with disability, consistent with the CRPD's first general principle of respect for individual autonomy and the freedom to make one's own choices.

²¹ Ibid.,

sector, and placed the recommendation to phase out ADEs by 2034 under further consideration.²² Disability Employment Services was replaced by Inclusive Employment Australia (IEA) from November 2025, with expanded eligibility and removal of the previous two-year engagement time limit.²³ As of the November 2025 Royal Commission progress report, implementation of the key employment recommendations remain in early stages.²⁴ The findings of a public consultation on the future of supported employment conducted by the Department of Social Services (DSS) between March and June 2025 has not yet been made public.²⁵

Two structural issues remain unresolved. The first is the coordination gap between NDIS and IEA: two systems, operating under different departments with different funding logic and accountability frameworks, that are expected to complement each other in practice without being designed to do so. A person with high support needs may simultaneously need NDIS-funded job coaching and IEA-funded employer engagement, with no shared planning mechanism between the two. The second is the interaction with the Disability Support Pension (DSP). Fear of losing DSP,²⁶ and the administrative complexity of suspension and reinstatement, which is consistently documented as a significant barrier to transition across participant, family, and provider groups.²⁷ The \$9.8 million advocacy and information program funded under Recommendation 7.28 addresses the information gap but would be more effective alongside actual simplification of the rules, and certainty of ongoing funding.²⁸

2.4 The Family and Carer Dimension

For this cohort, family and carer views carry unusual weight, and the NDIA's own research confirms that family influence is a significant factor in whether a person explores transition from an ADE at all.²⁹ Families frequently cite safety concerns³⁰ (particularly about psychological safety in open workplaces),³¹ loss of routine, transport barriers, fear of losing DSP or other supports,³² and the social connection that ADE settings provide as reasons for caution. These concerns are legitimate, not obstacles to be dismissed. At the same time, the evidence also shows that family and carer

²²Australian Government (2024). Response to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. Department of Health, Disability and Ageing, 31 July 2024. Of 172 Commonwealth recommendations addressed, 13 were accepted in full, 117 in principle; Recommendation 7.32 was placed under further consideration.

<https://www.health.gov.au/our-work/disability-royal-commission-response/australian-government-response>

²³Department of Social Services (2025). Inclusive Employment Australia: A New Disability Employment Program. DSS, Canberra. IEA replaced DES from 1 November 2025, with expanded eligibility to include people with assessed work capacity of less than eight hours per week, a cohort previously excluded from DES, who may now join on a voluntary basis, and no longer have a two-year engagement time limit.

²⁴Australian Government Department of Health, Disability and Ageing (2025). Disability Royal Commission Progress Report 2025, November 2025. health.gov.au/resources/publications/disability-royal-commission-progress-report-2025

²⁵Department of Social Services (2025). Next Steps in Supported Employment: Consultation on the Way Forward. DSS Discussion Paper, March–June 2025. <https://engage.dss.gov.au/next-steps-in-supported-employment-consultation-on-the-way-forward/>. No formal government response had been published as of May 2026.

²⁶Services Australia (2026). Income Test for Disability Support Pension. Accessed at: [Link to Services Australia payment site](#) DSP income test reduces payments by 50 cents per dollar earned above the threshold (approximately \$218 per fortnight for a single adult as of March 2026).

²⁷Op cit., NDIA (2024), noting that DSP concerns were consistently cited by participants, families, and ADE staff as a significant documented barrier to transition.

²⁸Australian Government Response (2024), op. cit. The Government committed \$9.8 million over four years to Inclusion Australia in partnership with Disability Advocacy Network Australia (DANA) to fund information and advocacy for ADE workers (implementing Recommendation 7.28).

²⁹Op cit., NDIA (2024).

³⁰Kanthisamy, S. et al., (2024). Family Caregiver Adaptation during the Transition to Adulthood of Individuals with Intellectual Disabilities: A Scoping Review. *Healthcare (Basel)*. Jan3;12(1):116. doi: 10.3390/healthcare12010116. <https://pubmed.ncbi.nlm.nih.gov/38201021/>

³¹Op cit., Joyce, A. et al. (2024)

³²Inclusion Australia and People with Disability Australia (2022). *Wage Equity and More Choices in Employment for People with an Intellectual Disability: Research Review*. Inclusion Australia. April 2022. <https://www.inclusionaustralia.org.au/wp-content/uploads/2022/04/ADE-research-brief-April-2022.pdf>

involvement is strongly associated with successful transition when it is actively engaged and well-informed,³³ not treated as a problem. Any reform framework that does not actively include families in employment planning conversations from an early age, provide accessible information about what open employment and transition support actually look like in practice, and address the reasonable concerns about income and routine, is likely to find that family caution remains one of the most powerful informal barriers the system faces.³⁴

2.5 Social Belonging: ADEs as Community, Not Only Workplace

Research consistently finds that relationships formed at work and getting paid are jointly identified as the most important things about working for people with intellectual disability across all employment types, with relationships to colleagues, supervisors and support staff frequently described as a primary source of attachment to a workplace, and getting paid valued for both material wellbeing and the sense of equality and participation it provides.³⁵ People with intellectual disability report enjoying the social environment of supported employment settings, with friendships that frequently extend beyond the workplace itself.³⁶ Families often cite concerns about social isolation as a central reason for supporting continued ADE participation, fearing that transition would sever their family member's primary social network.³⁷

For many people in ADE settings, these social bonds are a significant part of what makes work meaningful. These issues may assist in understanding why transition rates remain low in ways that data on system barriers alone do not fully capture. The social cost of leaving a familiar workplace, losing daily contact with established friends, disrupting routine, and entering an environment where relationships must be rebuilt, is a rational consideration, documented in the research literature as a structural barrier distinct from financial or logistical concerns.³⁸ Any reform should be careful to ensure that in focusing on what makes a successful transition, legitimate consideration is given equally to an individual's attachment, with active planning to protect their current social wellbeing from deteriorating.

There is growing evidence that open employment, when well-designed and genuinely inclusive, can generate comparable or superior social outcomes for people with intellectual disability, including stronger connections with the broader community.³⁹ However, this needs to be balanced against

³³ Op cit., NDIA (2024).

³⁴ Ibid., Op cit., Royal Commission 2023 (Vol.7).

³⁵ Meltzer, A., Bates, S., Robinson, S., Kayess, R., Fisher, K.R., & Katz, I. (2016). *What do people with intellectual disability think about their jobs and the support they receive at work? A comparative study of three employment support models: Final report* (SPRC Report 16/16). Social Policy Research Centre, UNSW Australia.

³⁶ Lysaght, R., Krupa, T., & Bouchard, M. (2018). The role of social enterprise in creating work options for people with intellectual and developmental disabilities. *Journal of Developmental Disabilities*, 23(3), 18–30. <https://oadd.org/wp-content/uploads/2018/12/41026-JoDD-23-3-v13f-18-30-Lysaght-et-al.pdf>

³⁷ Op cit., Inclusion Australia / Centre for Social Impact Swinburne (2022). Families' concerns about social isolation following ADE closure or transition are documented as a consistent theme across multiple studies.

³⁸ Meltzer, A., Robinson, S., & Fisher, K.R. (2020). Barriers to finding and maintaining open employment for people with intellectual disability in Australia. *Social Policy & Administration*, 54:88-101. doi:10.1111/spol.12523.

³⁹ Op. cit., Meltzer et al., 2016. See also Beyer, S., Brown, T., Akandi, R., & Rapley, M. (2010). A Comparison of Quality of Life Outcomes for People with Intellectual Disabilities in Supported Employment, Day Services and Employment Enterprises. *Journal of Applied Research in Intellectual Disabilities*, 23, 290–295; and Meltzer, A., Kayess, R., & Bates, S. (2018).

Perspectives of people with intellectual disability about open, sheltered and social enterprise employment: Implications for expanding employment choice through social enterprises. *Social Enterprise Journal*, 14(2), 225–244. doi:10.1108/SEJ-06-2017-0034. See also Joyce, A. et al. (2025). Wellbeing and job satisfaction among employees with intellectual disability. *Frontiers in Public Health*. doi:10.3389/fpubh.2025.1503932, which finds that strong social support and community connection are key determinants of job satisfaction and wellbeing for people with intellectual disability across all employment settings.

circumstances where people with intellectual disability personally prefer ADE and social enterprise settings for their supportive and stable settings, and social networks.⁴⁰

The implication for policy and reform is that where social continuity is not actively supported during transition (particularly through maintaining existing friendships, building peer connections in new workplaces, and ensuring community participation goals are embedded in employment plans), the risk of social dislocation is real, even where employment placement data might record a successful outcome.

2.6 Transition Safeguards: Reversibility, Staged Pathways, and Re-entry

A reform framework that actively encourages transition attempts must also address what happens when those attempts are not successful. NDIA research confirms that once people with intellectual disability achieve open employment, most remain in it, indicating that the primary barriers are structural and transitional rather than related to sustained capacity.⁴¹ But that aggregate finding does not account for the minority for whom open employment does not hold, and these are precisely the people most likely to need a clearly defined return or alternative pathways.

The question of what happens when an open employment attempt breaks down has received remarkably little attention in the Australian policy or research literature. Banks et al., identified job breakdown as an issue often omitted from studies,⁴² and the NDIA's research on ADE transitions is silent on re-entry pathways entirely.⁴³ Further, Joyce et al. note that bidirectional movement between supported and open employment needs to be supported by flexible policy and funding arrangements,⁴⁴ an acknowledgement that it is not currently supported in any systematic way. No managed re-entry protocol for this cohort appears in the policy or program literature reviewed for this paper. For families and participants who perceive the transition decision as difficult to reverse, this absence is itself a documented barrier, one that discourages otherwise viable attempts.⁴⁵ If the decision to attempt open employment is understood as irreversible, the rational response for many families and participants might be to stay.

A well-designed transition system would make several elements standard. Gradual or staged transitions, where a person progressively reduces hours in a supported setting while building hours in open employment, reduce the all-or-nothing character of the decision.⁴⁶ Hybrid or dual-placement arrangements, where a person holds a partial placement in a supported setting alongside open employment hours, provide a functional safety net during the transition period and maintain social

⁴⁰ Op. cit., Meltzer et al., 2016.

⁴¹ Op. cit., NDIA 2024. The NDIA's administrative data analysis found that many participants who transitioned to open employment appeared to remain in it over the observed period, indicating that the barriers are primarily structural and transitional rather than related to sustained capacity.

⁴² Banks, P., Jahoda, A., Dagnan, D., Kemp, J., & Williams, V. (2010). Supported employment for people with intellectual disability: The effects of job breakdown on psychological well-being. *Journal of Applied Research in Intellectual Disabilities*, 23(4), 344–354. <https://doi.org/10.1111/j.1468-3148.2009.00541.x>

⁴³ Op. cit., NDIA 2024.

⁴⁴ Op. cit., Joyce et al., 2025

⁴⁵ NDIA (2024), op. cit. The research documents that families and participants cite fear of transition failure and concern about losing their current placement as significant factors in the decision not to attempt transition. See also Meltzer et al. (2020), op. cit., which identifies perceived irreversibility as a structural barrier across participant and family groups; and Joyce et al. (2025) and the fear of losing NDIS funding allocation in shifting to open employment and then wanting to return.

⁴⁶ Children and Young People with Disability Australia (CYDA) (2025). *Pathways to Possibilities: Supporting Rights-Based Employment for Young People with Disability*. Submission to DSS "Next Steps in Supported Employment." June 2025. Recommendation 3 available at https://cyda.org.au/wp-content/uploads/2025/07/SUB_CYDA_SubmissionSupportedEmployment_FINAL_2025061925.pdf; and op cit., Joyce, et al., 2025

connections throughout.⁴⁷ Where a transition attempt is not successful, re-entry to supported employment should be available without full re-assessment,⁴⁸ and NDIS employment supports should remain accessible without a gap in service.

The NDIA's Participant Employment Strategy 2024–2026 commits to ensuring participants have “real choice and control in where they work.”⁴⁹ That commitment is not currently matched by the system design required to honour it. For choice to be real, not merely nominal, a person considering a move from supported to open employment must be able to make that decision knowing what happens if it does not work. At present, the answer to that question is unclear in policy, unfunded in practice, and largely undocumented in the literature. No managed re-entry protocol exists. No explicit continuity of NDIS employment supports across a failed transition is guaranteed. No hybrid or dual-placement funding model is available as a default. The consequence is that the decision to attempt open employment carries a disproportionate downside risk for people with cognitive disability and high support needs, and that asymmetric risk is itself a structural barrier to transition.

Operationalising genuine choice therefore requires that transition safeguards be designed, documented, and communicated to participants and families before any transition begins, not after a placement has broken down. Those safeguards should include: a clear re-entry pathway to supported employment that does not require full re-assessment; continuity of NDIS employment supports across the transition period without a service gap; and explicit recognition, in planning conversations and IEA program design, that a hybrid or staged arrangement is a legitimate and supported outcome, not a fallback position. Reversibility should not be understood as a structural condition that makes genuine choice possible. Without it, the Strategy's commitment to real choice and control may remain an aspiration rather than a right.

3. What Works Internationally for This Cohort

A necessary caveat: most of the internationally cited evidence base for supported employment, particularly Individual Placement and Support (IPS), was developed for people with serious mental illness, not for people with intellectual disability and high support needs. The ADE cohort has distinct support requirements, learning styles, and transition barriers. Applying models without acknowledging this distinction risks importing solutions designed for a different problem. This section focuses specifically on models with evidence for the ADE-equivalent cohort, noting where that evidence is strongest and where it is still developing.

3.1 Project SEARCH: The Strongest International Evidence

Project SEARCH (PS) is a one-year, workplace-based transition-to-employment program developed in the United States, designed specifically for young people with intellectual and developmental disabilities (IDD) in their final year of high school eligibility, typically aged 18–21.⁵⁰ Participants undertake three rotating internships of 10–12 weeks each within a single host business, supported by an onsite team comprising a special education instructor and job coach, deployed through formal

⁴⁷ Op. cit., Joyce et al. 2025.

⁴⁸ Op. cit., CYDA 2025.

⁴⁹ National Disability Insurance Agency (2024–2026). Participant Employment Strategy 2024–2026. NDIA, Canberra. P15 [ndis.gov.au/strategies/participant-employment-strategy](https://www.ndis.gov.au/strategies/participant-employment-strategy). See also Australian Government Department of Health, Disability and Ageing (2025). Disability Royal Commission Progress Report 2025: Recommendation 7.30, Support the Transition to Inclusive Employment. The Progress Report notes that the NDIA is currently “supporting employers to offer training and on-the-job assistance to employees to facilitate pathways to open employment while maintaining support for those continuing in supported employment settings.”

⁵⁰ Daston, M., Riehle, E., & Rutkowski, S. (2012). *High school transition that works!* Paul H. Brookes Publishing; and Project SEARCH. (n.d.). <https://www.projectsearch.us/our-model>

multi-party partnerships between a school district, a vocational rehabilitation agency, and an employer.

PS has one of the strongest and most rigorously evaluated evidence bases of any internship-based transition model targeting this cohort, having been identified as an evidence-based practice in both special education and vocational rehabilitation, though long-term outcome evidence continues to develop and results vary with fidelity to the model and local labour market conditions.⁵¹ Across more than 500 international sites, program completion rates consistently sit between 92% and 94%, with competitive integrated employment outcomes for graduates ranging from 46% to 67%, usually within three to six months of program completion.⁵²

By comparison, control or comparison groups receiving standard transition supports in randomised trials have achieved competitive employment rates of 12% to 17%, and population-level data consistently show that the large majority of IDD youth exiting secondary education without structured workplace transition supports do not attain competitive employment.⁵³ Outcomes vary across sites, with higher fidelity to the model and stronger local labour markets associated with better results.⁵⁴

A scoping review of internship programs for young people with IDD identified Project SEARCH as having the strongest evidence base of any internship-based transition program for this cohort, supported at the highest levels of evidence available within that literature.⁵⁵ An enhanced variant adapted for young people with autism spectrum disorder, Project SEARCH plus ASD Supports (PS+ASD), has also demonstrated competitive employment rates of 73% to 90% at three months post-program across randomised trial evidence, compared with 12% to 17% for control groups.⁵⁶

Project SEARCH has been established at sites in Australia, and available evidence indicates it has not been taken to national scale, with no coordinated national implementation framework documented in the published literature.⁵⁷ The gap between what this model achieves internationally and what Australian transition programs achieve for this cohort represents one of the most directly evidence-supported options for investment in this population, subject to the site-fidelity and local labour market conditions to shape outcomes across sites.⁵⁸

3.2 Customised Employment: Designed for People Who Don't Fit Standard Job Matching

⁵¹ Rowe, D. A., Alverson, C. Y., Unruh, D., Fowler, C., Kellems, R., & Test, D. W. (2015). A Delphi study to operationalize evidence-based predictors in secondary transition. *Career Development and Transition for Exceptional Individuals*, 38(2), 113–126. <https://doi.org/10.1177/2165143414526429>; Sung, C., Fisher, M. H., Okyere, C., Park, J., & Choi, H. (2023).

Employment outcomes and support needs of Michigan Project SEARCH graduates with intellectual and developmental disabilities: A mixed-method study. *Journal of Vocational Rehabilitation*, 59(3):233-249 <https://doi.org/10.3233/JVR-230042>

⁵² Ibid.

⁵³ Wehman, P., Schall, C., McDonough, J., Sima, A., Brooke, A., Ham, W., Whittenburg, H., Brooke, V., Avellone, L., & Riehle, E. (2020). Competitive employment for transition-aged youth with significant impact from autism: A multi-site randomized clinical trial. *Journal of Autism and Developmental Disorders*, 50*, 1882–1897. <https://doi.org/10.1007/s10803-019-03940-2>; Wehman, P., Schall, C., McDonough, J., Molinelli, A., Riehle, E., Ham, W., & Thiss, W. R. (2013). Project SEARCH for youth with autism spectrum disorders: Increasing competitive employment on transition from high school. *Journal of Positive Behavior Interventions*, 15(3), 144–155. <https://doi.org/10.1177/1098300712459760>

⁵⁴ Op. cit., Sung et al, 2023

⁵⁵ Avellone, L., Taylor, J., Ham, W., Schall, C., Wehman, P., Brooke, V., & Whittenburg, H. (2023). A scoping review on internship programs and employment outcomes for youth and young adults with intellectual and developmental disabilities. *Rehabilitation Counselors and Educators Journal*. 12(1) [doi:10.52017/001c.38785](https://doi.org/10.52017/001c.38785)

⁵⁶ Ibid., Op. cit., Wehman et al., 2013; Wehman et al, 2020; see also Wehman, P., Schall, C. M., McDonough, J., Graham, C., Brooke, V., Riehle, J. E., Brooke, A., Ham, W., Lau, S., Allen, J., & Avellone, L. (2017). Effects of an employer-based intervention on employment outcomes for youth with significant support needs due to autism. *Autism*, 21(3), 276–290. <https://doi.org/10.1177/1362361316635826>

⁵⁷ Op. cit., Daston, et al., 2012.

⁵⁸ Op. cit., Sung et al., 2023.

Customised employment (CE) was developed specifically because standard supported employment models had not achieved open employment for people with the most significant disabilities.⁵⁹ Its defining feature is the Discovery process, an intensive, observation-based exploration of a person's skills, interests, and conditions for success, conducted in their home and community rather than through standardised vocational assessments.⁶⁰ The outcome is a vocational profile used to negotiate a tailored role with an employer, designed around the individual's specific contribution rather than an existing vacancy.⁶¹

The first randomised controlled trial of CE specifically with transition-age IDD youth with intellectual and developmental disabilities found that participants receiving CE were significantly more likely to achieve competitive integrated employment than those receiving standard support.⁶² Reviews of the literature identify CE as a promising practice with an emerging experimental base.⁶³ CE's practical limitation is structural rather than conceptual: it is time-intensive,⁶⁴ requires a trained specialist workforce that does not currently exist at scale in Australia. At the same time, sector evidence suggests that the current NDIS pricing arrangements do not adequately fund the Discovery phase, or employer negotiation process.⁶⁵ These are addressable funding and workforce design problems.

3.3 Jobsupport: Domestic Evidence

Jobsupport is an example of a not-for-profit provider operating in Sydney, Melbourne and Brisbane that specialises in open employment for people with significant intellectual disability that is achieving success in this area. Its approach centres on extended workplace-based work experience, individualised job matching, and long-term in-work support.⁶⁶

Government outcome data published under the former Disability Employment Services (DES) program recorded Jobsupport's 52-week retention rates for participants with intellectual disability at 95.9% (Sydney) and 100% (Melbourne) as at June 2025, against a national average of 28.6% across all DES providers.⁶⁷ The apparent success of this model warrants serious consideration as to whether its design can be replicated at scale, particularly whether it can be replicated in regional and remote labour markets.

⁵⁹ Callahan, M., Griffin, C., & Hammis, D. (2011). Twenty years of employment for persons with significant disabilities: A retrospective. *Journal of Vocational Rehabilitation*, 35(3), 163–172; Riesen, T., Morgan, R. L., & Griffin, C. (2015). Customized employment: A review of the literature. *Journal of Vocational Rehabilitation*, 43(3), 183–193.

⁶⁰ Griffin, C., Hammis, D., Geary, T., & Sullivan, M. (2008). Customized employment: Where we are, where we're headed. *Journal of Vocational Rehabilitation*, 28(3), 135–139. Callahan, M., Shumpert, N., & Condon, E. (2009). *Discovery: Charting the course to employment*. Marc Gold & Associates; & op.cit Riesen, 2015.

⁶¹ Op. cit., Reisen et al. (2015); Griffin et al. (2008); see also Inge, K. J., Graham, C. W., Brooks-Lane, N., Wehman, P., & Griffin, C. (2018). Defining customized employment as an evidence-based practice: The results of a focus group study. *Journal of Vocational Rehabilitation*, 48(2), 155–166.

⁶² Inge, K.J., Wehman, P., Avellone, L., Broda, M., & McDonough, J. (2024). The impact of customized employment on the competitive integrated employment outcomes of transition-age youth with intellectual and developmental disabilities: A randomized controlled trial. *Work: A Journal of Prevention, assessment & Rehabilitation*, 77(3), 721–729. doi:10.3233/WOR-246003.

⁶³ Op.cit., Riesen et al. (2015); Riesen, T., Snyder, A., Byers, R., Keeton, B., & Inge, K. (2023). An updated review of the customized employment literature. *Journal of Vocational Rehabilitation*, 58(1), 27–38; & Christianson-Barker, J., Franzius, A., Mills, R., Lomness, A., & Hole, R. (2025). Employing strength: A scoping review of customized employment practices to support inclusive employment for people with intellectual disabilities. *Journal of Vocational Rehabilitation*. 63(2): 119-140.

⁶⁴ The Discovery process alone averages approximately 30 hours (ranging between 20-60 hours) before job development and employer negotiation are factored in. See Smith, T. J., McVilly, K. R., McGillivray, J., et al. (2018). As cited in Riesen et al. (2023) and the Everyone Can Work evidence summary (www.everyonecanwork.org.au).

⁶⁵ NDIS Review. (2023). *Working together to deliver the NDIS: Independent review of the NDIS*. Australian Government.

⁶⁶ www.jobsupport.org.au

⁶⁷ Department of Social Services. (2025). *Disability employment services outcome rates by disability type* [Data set].

Australian Government. <https://data.gov.au/data/dataset/disability-employment-services-outcome-rates-by-disabilitytype>

3.4 Social Enterprise: A Bridge, Not a Destination

Social enterprise is frequently proposed as a middle path between ADEs and open employment,⁶⁸ but for a significant portion of this cohort, that transition has already happened, without fanfare and without a corresponding evidence base. As noted in Section 1, since the formal cessation of the ADE program in March 2021, a substantial number of former ADEs have rebranded as social enterprises: 110 of 477 former ADE outlets held formal Social Traders certification by late 2022, and a further cohort had adopted the social enterprise identity informally.⁶⁹ The supported employees within these organisations, people with intellectual disability and high support needs, have not moved with any less need for support. What has moved is the label on the door, and with it, what little accountability and visibility this sector previously had. Research examining social enterprises and people with intellectual disability found that people with intellectual disability express a preference for social enterprise and community-focused work environments,⁷⁰ and that social enterprises' structural features, more flexible job design, greater community integration, can reduce the transition gap.⁷¹ However, the same research found that actual transition rates from social enterprises to open employment remain low internationally,⁷² and that the features distinguishing effective social enterprises, genuine progression pathways, employer connections, and open employment as an organisational goal, are not consistently present.

The critical problem is that we cannot currently assess whether the wave of social enterprise rebranding has changed outcomes for supported employees at all. The cessation of the Disability Services National Minimum Data Set in 2019 removed the last dedicated national data 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, and Business Services Wage Assessment Tool payment records through its DOMINO dataset, but does not yet produce sector-specific outcome reporting on the social enterprise or former-ADE workforce. The NDDA's employment outcomes work is a stated priority, and its linked data has the technical capacity to begin addressing this gap, but that work had not been completed as of the preparation of this paper. One partial but important exception is the NDIS SDA demand data. As noted in Section 1, the NDIA publishes quarterly SDA demand data covering all 24,522 participants with an identified SDA need as at December 2024 – participants defined by extreme functional impairment or very high support needs. This dataset captures not only where participants live and what housing design category they require, but also provides state, territory, and SA3-level breakdowns of unmet need (9,834 participants with SDA eligibility not yet using SDA). People living in SDA, or waiting for it, represent the segment of the NDIS population least likely to be served by standard employment pathways, and most likely to require the kind of intensive, individually negotiated, and long-term supported employment arrangements this paper examines. Their employment status, participation in SLES, or engagement with IEA providers is not captured in SDA demand data, but the scale and geographic distribution of this cohort is. That data has not been systematically linked to employment reporting, representing a gap that NDDA is well-positioned to address.⁷³ The risk that social enterprise becomes congregate, low-wage, disconnected from the open labour market, and oriented around the enterprise's commercial needs rather than the worker's

⁶⁸ Op. cit., Meltzer et al. (2018); Joyce et al., (2025).

⁶⁹ Op. cit., Wilson et al. (2022).

⁷⁰ Op. cit., Meltzer et al. (2018)

⁷¹ Op. cit., Joyce et al.(2025); Wilson et al. (2022). See also footnote 8.

⁷² Ibid. Joyce.

⁷³ Op. cit., Wilson et al. (2022); Productivity Commission (2021).

employment goals, is not hypothetical. It may already be the reality for a substantial portion of this cohort, and the current absence of sector-specific outcome reporting makes it impossible to know. This is not a reason to dismiss the social enterprise model; it is a reason to treat the data gap itself as a first-order policy problem, and to make any public funding to this evolved sector conditional on published transition data, wage data, and clearly enforced quality standards. Accelerating the NDDA's employment outcomes work, specifically, commissioning analysis of NDIS and DOMINO data to track outcomes for former ADE workers across organisational forms, would be the most direct available step toward closing this gap.

3.5 What the Systematic Evidence Converges On

A 2025 systematic review of programs supporting competitive employment outcomes for young people with intellectual disability identified four characteristics consistently present in effective programs: early career planning commencing in secondary school; direct work exposure in real workplaces; post-secondary education and certification opportunities; and on-the-job training.⁷⁴ The review's findings on work exposure carry an important nuance: the effectiveness of workplace-based learning depends on its quality and structure rather than simply its location, with some forms of school-supervised work experience also showing mixed results across the included studies. On-the-job training with fading support is identified in the broader open employment evidence base as a core component of effective practice.⁷⁵

Classroom-only pre-vocational training has limited evidence of effectiveness for this cohort as a route to competitive employment, a finding consistent across both the Enticott and Dew (2025) review and the earlier Kregel et al. (2020) evidence synthesis. Evidence supports that some classroom-based preparation retains value for foundational social, communication, and travel skills; the problem arises when it substitutes for, rather than complements, genuine work experience.⁷⁶ Drawing on these findings, current Australian School Leaver Employment Supports (SLES) programs that rely heavily on classroom-based delivery at the expense of structured real-workplace exposure are unlikely to produce the employment outcomes the evidence supports. Any reform of SLES that does not shift this balance is therefore unlikely to move outcomes.

4. Reform Options: Fitting This Cohort Within IEA and NDIS

4.1 Inclusive Employment Australia: Expanding Genuine Access

IEA's design addresses several of the problems that most directly affected this cohort under DES. The removal of the two-year service time limit was a significant structural change. Under DES, many people with high support needs were exited before they were ready, and providers faced deadline pressures that worked against a genuinely person-centred approach. The introduction of an intensive service stream, specifically for people preparing to be work-ready rather than immediately job-search-ready, reflects a recognition that the standard employment services timeline does not fit everyone. The continuation of Ongoing Support Assessments through the National Panel of Assessors also provides a mechanism for people who are in employment to receive assessed, ongoing support. Further, the expansion of eligibility to include people with a work capacity of fewer than eight hours per week (who may join on a voluntary basis) broadens the program's reach to people who were

⁷⁴ Enticott, A., & Dew, A. (2026) A systematic review of the characteristics of programs and services resulting in competitive employment outcomes for young people with an intellectual disability. *Journal of Intellectual and Developmental Disability*, 51(1), 27-38. doi:10.3109/13668250.2025.2499674

⁷⁵ Op. cit., Kregel et al. (2020)

⁷⁶ Ibid.

previously excluded from DES. Taken together, these are meaningful improvements that should not be understated.

A pending question is whether the IEA performance framework and payment structure will translate these design intentions into practice for the ADE cohort. The detail of how providers are paid, and whether the payment model adequately accounts for the substantially higher time and resource investment that complex-needs participants require, are still to be tested, particularly for the new cohort of people able to work less than 8 hours a week. If outcome payments are structured in a way that does not differentiate meaningfully by participant complexity, there remains an inherent tension between working intensively with the hardest-to-reach people and operating a financially viable service. The answer will only become visible as implementation data accumulates and independent evaluation is conducted.⁷⁷

A related gap is methodological. The intensive tier is described in terms of preparing people to be work-ready, which is compatible with a range of approaches, but customised employment's Discovery process, with its months-long observational and employer negotiation phase, is not specifically named or separately funded within IEA's structure. For the ADE cohort, where standard job-readiness preparation has a limited evidence base, this could matter. Recognition of customised employment as a distinct, adequately funded methodology within IEA, with performance milestones calibrated to the Discovery timeline rather than to standard job search, could make the intensive tier meaningfully more accessible to people for whom conventional approaches have not worked.

Outcome reporting disaggregated by support needs level would also strengthen accountability for this cohort. At present, it is not clear that publicly reported IEA performance data will make visible how different segments of the eligible population, including those with the highest and most complex support needs, are faring relative to the broader participant group. Without that visibility, it is difficult for either government or the broader sector to assess whether IEA's design improvements are reaching the people they were most intended to serve.

National expansion of Project SEARCH, co-funded by DSS and the NDIA with IEA provider involvement, would represent one of the most directly evidence-based investments available for this cohort. The model's strong international evidence, its existing Australian pilots, and its compatibility with the intensive tier's pre-employment focus make it well-suited to structured national rollout, and it sits clearly within IEA's scope without requiring new program architecture.

4.2 NDIS: Funding What the Evidence Supports

The NDIS provides the foundational supports that make employment possible for many people in the ADE cohort, job coaching, assistive technology, SLES, and supports in employment. Several reforms would directly strengthen outcomes:

The Discovery process central to customised employment and is not currently adequately funded in the NDIS price guide. Recognising and pricing Discovery as a distinct support item, reflecting the specialist skill and time it requires, is a practical prerequisite to CE operating at meaningful scale. The Disability Employment Centre of Excellence established through the Royal Commission response is a logical vehicle for training a national cohort of CE-qualified practitioners.

There is a broader economic reality worth acknowledging plainly: high-quality supported employment for people with high support needs is not cheap, and it is likely to cost more, not less, before

⁷⁷ It should be noted that IEA had been operating for just over six months at the time this paper was prepared; the design-intent assessment above is not a claim about demonstrated outcomes.

outcomes improve. Discovery takes time. Long-term in-work support does not end at placement. Employer negotiation and relationship maintenance require skilled staff. The relevant comparison is not between the current system and an idealised low-cost alternative, but between the current system's combination of low wages, low transitions, and modest long-term costs, and a reformed system that invests more per person in order to achieve genuinely better outcomes. Making that case honestly, and building the evaluation infrastructure to demonstrate it over time, is part of the reform task.

SLES needs to shift significantly toward workplace-based preparation. The systematic evidence is clear that classroom-only pre-vocational training does not reliably connect to employment for this cohort. NDIA's own research recommends that SLES be redesigned around work experience in open settings, and that employment goals be introduced in planning conversations during secondary school.⁷⁸ Others have suggested that this should be taken further and that SLES be offered on an opt-out rather than opt-in basis for NDIS participants with high support needs aged 24 and under.⁷⁹ This last proposal warrants careful design: an opt-out structure should not override genuine participant and family choice, but rather shift the default to ensure employment pathways are actively considered rather than overlooked.⁸⁰

The DSP interaction requires direct attention. Simplifying the suspension and reinstatement process, improving information for ADE workers about the actual rules, and exploring whether transitional income support arrangements can reduce the financial risk of attempting open employment would address one of the most consistently documented barriers.⁸¹ The primary constraint appears not to be access to information, but the complexity of the rules themselves. Therefore, simplification of the rules would arguably be a more effective intervention.

4.3 Respecting Choice, Including the Choice to Stay

The minority view of the Royal Commission on the phasing out of ADEs deserves serious engagement:⁸² for some people, an ADE-equivalent setting represents a meaningful and freely chosen form of work. The question the evidence invites is not 'should ADEs continue to exist' but 'what conditions would need to hold for participation in such a setting to genuinely reflect free and informed choice', and 'what would high-quality, rights-respecting supported employment settings actually look like if properly resourced and regulated?'

A reform framework serious about this would need: funded independent advocacy for all ADE workers on an ongoing basis; quality standards requiring wage floors, genuine worker voice mechanisms, and regular review of each person's employment goals; an active obligation on providers to inform workers of their options and support them to explore alternatives; and published outcome data, wages, hours, tenure, transition rates, from all supported employment settings in comparable, accessible form.

⁷⁸ Op. cit., NDIA (2024).

⁷⁹ Op. cit., Wilson et al. (2022)

⁸⁰ NDIA (2024), op. cit. The research recommends that SLES be offered to NDIS participants with high support needs aged 24 and younger with an opt-out rather than opt-in mechanism, and that employment goals be introduced in planning conversations while participants are still at school.

⁸¹ Op. cit., Services Australia (2025); Meltzer, et al (2020), Joyce et al. (2024)

⁸² Op. cit., Royal Commission Final Report, Volume 7 (2024). Reference to Chair Sackville and Commissioner Ryan's dissenting views.

The \$9.8 million advocacy and information program funded under Recommendation 7.28 is a starting point.⁸³ But information about options is only meaningful when options genuinely exist. Investment in alternatives, Project SEARCH, CE, quality social enterprise with built-in progression pathways, is what transforms information into real choice.

4.4 Making the Two Systems Work Together

A significant structural problem for this cohort remains the gap between NDIS and IEA. A joint planning mechanism, a single employment goal agreed at plan review and shared between the Local Area Coordinator, support coordinator, and IEA provider, would reduce friction and improve coherence. This does not necessarily require legislative change; it requires funded coordination infrastructure and a shared outcome framework to which both systems are accountable.

Wage reform with accompanying subsidies, as proposed in Recommendation 7.31 and endorsed unanimously by the Commission, has a strong rights rationale, and clear international precedents for government-supported wage subsidy arrangements. Notably the Government is yet to accept this recommendation in full and is in the process of engaging on further consultation with a range of stakeholder before committing to broader reform.⁸⁴

Denmark's flexi-job scheme, which provides subsidised employment for people with significantly reduced work capacity⁸⁵ and now covers approximately 4% of the Danish workforce, is one well-documented example of a sustained wage subsidy model operating at national scale in a comparable OECD country. A staged approach,⁸⁶ transparent milestones, regular independent review, government subsidies offsetting employer costs during transition, is more tractable than either the status quo or an abrupt change. Provider viability monitoring, managed market exit protocols, and independent worker advocacy during any restructuring period would be the protective infrastructure that makes wage reform safe for the workers it is intended to benefit.

5. Conclusion

The ADE cohort sits at the intersection of Australia's most challenging employment policy questions: how to balance rights with safety, speed with sustainability, specialisation with the risk of segregation, and individual choice with the structural conditions that make genuine choice possible. The evidence offers substantive guidance, not a template, but a clear direction.

The evidence base reviewed in Section 3 converges on a consistent finding: programs that work for this cohort integrate workplace-based preparation, individually negotiated roles, long-term in-work support, and active employer engagement. These are not the features of most current Australian SLES programs or IEA arrangements.

The reforms outlined in this paper are not utopian. They draw on existing evidence, existing Australian pilots, and existing program architecture. What they require is deliberate investment, clear accountability, and a genuine commitment to building alternatives before removing the options that,

⁸³ Final Report, Volume 7: Inclusive Education, Employment and Housing. Australian Government; National Disability Insurance Agency (2024). From ADEs to Open Employment Research. Evidence and Practice Leadership Branch. NDIA, Canberra.

⁸⁴ [Link to Disability Commission reports](#)

⁸⁵ See UK Government (2026), *International comparisons of disability benefits and disability employment*. <https://www.gov.uk/government/publications/international-comparisons-of-disability-benefits-and-disability-employment>.

Note that to be eligible, the individual must have a working capacity permanently reduced by more than 50% and have exhausted all other avenues of obtaining ordinary employment.

⁸⁶ It should also be noted that the wage reform modelling commissioned by the Royal Commission identified job loss risks, which is why the staged, subsidised approach is necessary, not optional.

however imperfect, currently serve as the primary source of employment and social connection for those Australians with high and complex support needs.

Australia should not choose simply between 'keep ADEs as they are' and 'close them by 2034.' It should build a serious, integrated, and adequately funded supported employment ecosystem that expands real choice, genuine open employment pathways, fair wages, and strong safeguards against the mere rebranding of old problems. The next progress report on Royal Commission implementation is expected in November 2026. That is a reasonable horizon against which to measure whether the evidence-based reform directions the Commission established have begun to translate into reform that makes a material difference to this cohort.

Editorial Note

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